THE ROLE OF PROACTIVENESS, INNOVATIVENESS, AND RISK-TAKING IN SHAPING ENTREPRENEURIAL INTENTION: THE MEDIATING ROLE OF MOTIVATIONAL FACTORS AMONG MSMES IN BATAM CITY

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ABSTRACT

This study examines the effects of proactiveness, innovativeness, and risk-taking on entrepreneurial intention, with motivational factors serving as a mediating variable among Micro, Small, and Medium Enterprises (MSMEs) in the Food and Beverage sector in Batam City, using a quantitative causal approach. Data were collected from 464 MSME actors using an online questionnaire distributed through purposive sampling. The data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS). The results indicate that proactiveness, innovativeness, and risk-taking exert a positive and statistically significant influence on both motivational factors and entrepreneurial intention. Furthermore, motivational factors are found to significantly mediate the relationship between entrepreneurial characteristics and entrepreneurial intention. The structural model demonstrates strong explanatory power and satisfactory model fit indicators. These findings highlight the importance of strengthening motivational aspects alongside entrepreneurial characteristics to foster sustainable entrepreneurial intention among MSMEs, particularly in highly competitive business environments.

Keywords*: Entrepreneurial Intention; Proactiveness; Innovativeness; Risk-Taking; Motivational Factors; MSMEs.*

INTRODUCTION

In recent years, the mindset and job preferences of younger generations have undergone significant changes. The growing preference for flexible work arrangements, such as Work From Anywhere (WFA), reflects a shift away from traditional employment structures toward autonomy and flexibility (Fuchs et al., 2024; Rishi, 2023). However, this shift has also been accompanied by a decline in proactive and innovative behavior, as well as a reduced willingness to take risks among young individuals (Dan & Soelaiman, 2021). Previous studies indicate that work flexibility is no longer merely an additional benefit but has become a primary consideration when choosing a career path (Lowira & Himaladin, 2023; Fikri et al., 2024).

In this context, entrepreneurship is increasingly viewed as a strategic solution to address employment challenges and promote sustainable economic growth. Entrepreneurship development plays a crucial role in expanding job opportunities and reducing poverty, particularly in developing economies (Y. H. S. Al-Mamary, 2021). Entrepreneurial intention represents an individual's conscious state of mind that directs attention, experience, and action toward entrepreneurial behavior. Strong entrepreneurial intention is often associated with individuals who are proactive, innovative, and willing to take risks when facing uncertainty (Naz et al., 2020).

Entrepreneurial orientation dimensions—namely proactiveness, innovativeness, and risk-taking—have been widely recognized as key determinants of entrepreneurial intention. Proactiveness reflects an individual's ability to identify and exploit opportunities ahead of competitors, while innovativeness emphasizes creativity and the pursuit of new ideas, products, or processes (Astrini et al., 2020; Covin & Wales, 2019). Risk-taking, on the other hand, refers to the willingness to commit resources to uncertain outcomes, which is an inherent

characteristic of entrepreneurial activity (Gurel et al., 2021). Empirical studies have consistently demonstrated that these characteristics positively influence entrepreneurial intention across different contexts (Caputo et al., 2025; Kusuma Wardani et al., 2023; Lopes et al., 2025).

However, entrepreneurial characteristics alone may not be sufficient to explain why individuals develop strong entrepreneurial intention. Individuals also require motivational drivers that encourage them to act upon their proactive, innovative, and risk-taking tendencies. Motivational factors, both intrinsic and extrinsic, play a crucial role in translating entrepreneurial characteristics into intentional entrepreneurial behavior. Prior studies grounded in the Theory of Planned Behavior and Self-Determination Theory emphasize motivation as a key mechanism that links personal traits to behavioral intention (Douglas et al., 2021; Karimi et al., 2022).

Although numerous studies have examined entrepreneurial intention, most of them focus on students or early-stage entrepreneurs and primarily investigate direct relationships between entrepreneurial orientation dimensions and entrepreneurial intention. Limited empirical evidence explores the mediating role of motivational factors among active Micro, Small, and Medium Enterprises (MSMEs), particularly within specific industry and regional contexts. The Food and Beverage sector represents a highly competitive and dynamic environment where entrepreneurial motivation is essential for sustaining business operations, yet research in this sector remains relatively underexplored, especially in Batam City.

Therefore, this study aims to examine the effects of proactiveness, innovativeness, and risk-taking on entrepreneurial intention, with motivational factors serving as a mediating variable among MSMEs in the Food and Beverage sector in Batam City, Indonesia. By focusing on active MSME actors within a specific regional and industrial context, this study is expected to contribute to the entrepreneurial intention literature by providing empirical evidence on the critical role of motivation in strengthening the relationship between entrepreneurial characteristics and entrepreneurial intention.

METHODOLOGY

This study employs a quantitative research method with a causal approach, aiming to examine the influence of Proactiveness, Innovativeness, and Risk-Taking on Entrepreneurial Intention, with Motivational Factors serving as a mediating variable. The quantitative method is used to measure and analyze the relationships among variables based on numerical data collected through a questionnaire. The causal approach enables the identification of both direct and indirect effects among the variables under investigation.

RESULTS AND DISCUSSION

Demography Respondent

This study involved 464 respondents who are Micro, Small, and Medium Enterprises (MSMEs) actors in the Food & Beverages sector, all of whom are located in Batam City. Data were collected through an online questionnaire, and every respondent met the predetermined purposive sampling criteria. The demographic profile of the respondents is presented based on gender, age, educational level, and annual income.

	Frequency	**Percentage**
Gender		
Male	195	42%
Female	269	58%
Total	464	100%
Age		

< 20 Years Old	16	3.4%
20 - 25 Years Old	165	35.6%
26 - 31 Years Old	206	44.4%
> More than 31 Years Old	77	16.6%
Total	464	100.0%
Last Education		
High School	117	25.2%
Diploma (D3)	63	13.6%
Bachelor's (S1)	245	52.8%
Master (S2)	39	8.4%
Total	464	100%
Annual Income for 1 year		
Rp 0 - Rp 15.000.000	105	22.6%
Rp 15.000.001 - Rp 30.000.000	124	26.7%
Rp 30.000.001 - Rp 60.000.000	131	28.2%
Rp 60.000.001 - Rp 120.000.000	70	15.1%
More than Rp 120.000.000	34	7.3%
Total	464	100%
Source: Real Data (SPSS)		

Gender

Based on the data, out of a total of 464 respondents, the majority were female, accounting for 269 individuals or 58%, while male respondents totaled 195 individuals or 42%. This indicates that female participation in the study was higher than that of males. The dominance of female respondents may be a relevant consideration when interpreting the findings, as the results could reflect entrepreneurial tendencies or characteristics from a predominantly female perspective.

Age

The respondents in this study were predominantly within the productive age range. The age category of 26–31 years represented the largest group, consisting of 206 respondents (44.4%), followed by those aged 20–25 years with 165 respondents (35.6%). Respondents aged above 31 years totaled 77 individuals (16.6%), while those under 20 years old accounted for only 16 individuals (3.4%). These findings indicate that most respondents are in a transitional or early career stage, which is typically a critical period for making decisions related to entrepreneurial pursuits.

Last Education

Most of the respondents hold a bachelor's degree (S1), totaling 245 individuals (52.8%). Meanwhile, 117 respondents (25.2%) graduated from senior high school (SMA/SMK), 63 respondents (13.6%) hold a diploma degree (D3), and the remaining 39 respondents (8.4%) completed a master's degree (S2). These results indicate that the majority of respondents possess a relatively high level of education, which, in the context of entrepreneurship, may be associated with stronger critical thinking skills, a greater ability to manage risks, and the capacity to make complex decisions.

Annual Income for 1 year

In terms of annual income, most respondents fall into the middle-income category. A total of 131 respondents (28.2%) reported an annual income between IDR 30,000,001 and IDR 60,000,000, followed by 124 respondents (26.7%) earning between IDR 15,000,001 and IDR 30,000,000. Meanwhile, 105 respondents (22.6%) earn less than IDR 15,000,000 per

year. Additionally, 70 individuals (15.1%) fall within the income range of IDR 60,000,001 to IDR 120,000,000, and only 34 respondents (7.3%) reported earning more than IDR 120,000,000 annually. These findings indicate that the majority of respondents come from low- to middle-income groups, which may influence their motivation to pursue entrepreneurial opportunities as an alternative source of income or financial support.

Common Method Variance Test

a. Variance Inflation Factor (VIF)

The Variance Inflation Factor (VIF) is used to assess the presence of multicollinearity among independent variables in a regression or structural equation model. Multicollinearity arises when two or more predictors are highly correlated, making it difficult to isolate the unique contribution of each variable to the model and potentially leading to unstable coefficient estimates. VIF quantifies how much the variance of a regression coefficient is inflated due to collinearity among predictors. A VIF value close to 1 indicates no collinearity, whereas higher values reflect increasing levels of redundancy among variables.

According to (Ketchen, 2013), VIF values below 10 indicate that multicollinearity is not a concern in the model. Some scholars propose a more conservative threshold of VIF < 5 to ensure stronger statistical reliability. Additionally, the corresponding tolerance value (1/VIF) should be greater than 0.10, meaning that the predictor still explains sufficient unique variance. In this study, all VIF values fall within the acceptabe threshold (VIF < 10 and tolerance > 0.10), indicating that multicollinearity is not present. Therefore, the independent variables can be analyzed simultaneously in the model without compromising estimation accuracy.

Nilai VIF		
Entrepreneurial Intention	EI_1	2.169
	EI_2	2.27
	EI_3	1.826
	EI_4	1.666
	EI_5	2.346
Innovativeness	I_1	1.513
	I_2	2.041
	I_3	1.607
	I_4	1.666
	I_5	1.971
Motivational Factors	MF_1	2.476
	MF_2	1.828
	MF_3	1.913
	MF_4	1.652
	MF_5	1.199
Proactiveness	P_1	2.462
	P_2	1.986
	P_3	1.516
	P_4	2.261
	P_5	1.911
Risk-Taking	RT_1	2.282
	RT_2	1.941
	RT_3	1.947

	RT_4	2.015
	RT_5	1.934
Source: Real Data Smart PLS		

Convergent Validity

a. Outer Loadings

Outer loadings reflect the degree to which each indicator accurately represents its latent construct. Higher loading values indicate stronger relationships between the indicator and the construct it measures. According to Nitzl (2014), an item is considered acceptable when its loading is ≥ 0.70, as this demonstrates adequate convergent validity. Loadings between 0.60 and 0.70 may still be retained if the overall construct reliability remains satisfactory, whereas items with loadings of ≤ 0.40 should be removed because they provide little contribution to the construct.

Based on the results presented in the table, all indicators measuring Entrepreneurial Intention and Innovativeness show loading values above 0.70, confirming strong convergent validity for both constructs. For Motivational Factors, four out of five indicators satisfy the threshold, while MF_5 falls below 0.70 and therefore demonstrates limited contribution to the construct. Within the Proactiveness construct, four indicators exceed the recommended loading level, and although P_3 records a value of 0.696, it remains statistically acceptable because the construct's overall reliability values (CR and AVE) still meet the recommended criteria. Likewise, all indicators of Risk-Taking load above 0.70, indicating that the construct is consistently measured and has strong representation. These results confirm that most measurement indicators in the model are statistically valid and adequately capture their respective constructs, allowing the structural model to proceed to the next stage of analysis.

	Entrepreneurial Intention	**Innovativeness**	**Motivational Factors**	**Proactiveness**	**Risk-Taking**
EI_1	0.84				
EI_2	0.835				
EI_3	0.791				
EI_4	0.75				
EI_5	0.844				
I_1		0.716			
I_2		0.823			
I_3		0.758			
I_4		0.768			
I_5		0.804			
MF_1			0.874		
MF_2			0.816		
MF_3			0.806		
MF_4			0.753		
P_1				0.859	
P_2				0.81	
P_4				0.84	
P_5				0.793	
RT_1					0.841
RT_2					0.793
RT_3					0.812

RT_4	0.799
RT_5	0.79
Source: Real Data Smart PLS	

b. Average Variance Extracted (AVE)

Based on the results of the measurement model assessment, the Average Variance Extracted (AVE) values for all constructs meet the required threshold for convergent validity. Each construct shows an AVE value greater than 0.50, indicating that more than half of the variance in the indicators is explained by the underlying latent construct rather than measurement error. This finding aligns with the guideline proposed by Hair et al. (2013), which states that an AVE value of ≥ 0.50 demonstrates adequate convergent validity and confirms that the indicators sufficiently represent the construct being measured.

In addition, the AVE results complement the outer loading values and reliability statistics (Cronbach's Alpha and Composite Reliability), reinforcing that the measurement items are both reliable and valid. Since all constructs meet the AVE threshold and contribute meaningfully to the model, there is no need to remove any indicators from further analysis. Thus, the constructs in this study are empirically supported and can be confidently utilized for structural model evaluation in the subsequent stage.

	Cronbach's Alpha	rho_A	Composite Reliability	**Average Variance Extracted (AVE)**
Entrepreneurial Intention	0.871	0.874	0.907	**0.661**
Innovativeness	0.833	0.838	0.882	**0.6**
Motivational Factors	0.837	0.844	0.891	**0.672**
Proactiveness	0.859	0.861	0.904	**0.702**
Risk-Taking	0.866	0.867	0.903	**0.652**
Source: Real Data Smart PLS				

Convergent Validity

a. Cross Loadings

Cross-loading represents the correlation value between each indicator and all constructs within the model. It serves as a measure of discriminant validity, ensuring that indicators within a construct are distinct and do not overlap with indicators of other constructs. An indicator is considered to meet the discriminant validity criteria when its loading value on its associated construct is higher than its loadings on other constructs. The difference between the loading on its intended construct and the loadings on other constructs should ideally exceed 0.10 to clearly demonstrate discriminant separation (Hair et al., 2013). Based on the results presented in the table, all indicators show loading differences greater than 0.10 between their designated construct and other constructs. This indicates that each indicator correlates more strongly with its corresponding construct, confirming that discriminant validity is achieved.

	Entrepreneurial Intention	**Innovativeness**	**Motivational Factors**	**Proactiveness**	**Risk-Taking**
EI_1	0.84	0.725	0.777	0.759	0.726
EI_2	0.836	0.782	0.781	0.778	0.79
EI_3	0.79	0.702	0.741	0.744	0.726
EI_4	0.75	0.68	0.666	0.644	0.668

EI_5	0.845	0.76	0.784	0.777	0.792
I_1	0.599	0.713	0.594	0.597	0.611
I_2	0.741	0.823	0.77	0.757	0.738
I_3	0.701	0.76	0.692	0.702	0.693
I_4	0.716	0.768	0.689	0.692	0.71
I_5	0.714	0.804	0.706	0.722	0.689
MF_1	0.822	0.798	0.886	0.813	0.774
MF_2	0.779	0.758	0.815	0.79	0.762
MF_3	0.762	0.747	0.818	0.771	0.755
MF_4	0.656	0.617	0.755	0.637	0.624
P_1	0.786	0.771	0.804	0.855	0.768
P_2	0.773	0.766	0.787	0.835	0.773
P_4	0.776	0.768	0.789	0.854	0.742
P_5	0.724	0.708	0.708	0.808	0.733
RT_1	0.762	0.727	0.728	0.744	0.841
RT_2	0.724	0.714	0.726	0.744	0.792
RT_3	0.779	0.751	0.751	0.748	0.813
RT_4	0.724	0.696	0.712	0.697	0.799
RT_5	0.689	0.705	0.682	0.696	0.791
Source: Real Data Smart PLS					

b. Fornell Larcker

The analysis presented in the table indicates that all variables show a strong and positive relationship, with the highest correlation occurring between Entrepreneurial Intention and Motivational Factors. The high correlation values suggest a close interrelationship among the variables. However, to ensure that each construct distinctly measures a different concept, discriminant validity was assessed using the Fornell–Larcker criterion. According to Fornell and Larcker (1981), discriminant validity is achieved when the square root of a construct's AVE is greater than its correlations with other constructs. The results confirm that all constructs satisfy this requirement, indicating that each construct in the model is unique and does not overlap conceptually.

	Entrepreneurial Intention	**Innovativeness**	**Motivational Factors**	**Proactiveness**	**Risk-Taking**
Entrepreneurial Intention	0.813				
Innovativeness	0.899	0.775			
Motivational Factors	0.924	0.895	0.82		
Proactiveness	0.913	0.899	0.922	0.838	
Risk-Taking	0.912	0.891	0.892	0.9	0.807
Source: Real Data Smart PLS					

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Entrepreneurial Intention	**0.871**	0.874	**0.907**	0.661
Innovativeness	**0.833**	0.838	**0.882**	0.6
Motivational Factors	**0.837**	0.844	**0.891**	0.672
Proactiveness	**0.859**	0.861	**0.904**	0.702
Risk-Taking	**0.866**	0.867	**0.903**	0.652

Source: Real Data Smart PLS

a. Cronbach's Alpha

Cronbach's Alpha measures the internal consistency of indicators within a construct, demonstrating how well the items collectively capture the same underlying concept. A higher Cronbach's Alpha value indicates that the items consistently measure the construct rather than functioning independently. According to recent methodological guidelines, a Cronbach's Alpha value of ≥ 0.70 reflects acceptable reliability, whereas values ≥ 0.80 are considered indicative of strong reliability and measurement stability (Cheung et al., 2024).

As shown in the reliability test results, all constructs in this study exhibit Cronbach's Alpha coefficients greater than 0.80. This confirms that the measurement items within each construct are internally consistent and reliably represent the latent variables being analyzed. The strong reliability values also reinforce that the instrument used in this study is statistically sound and appropriate for continued structural model analysis.

b. Composite Realibility

Composite Reliability (CR) evaluates the internal consistency of latent constructs and is considered a more accurate indicator of reliability compared to Cronbach's Alpha because it incorporates the actual outer loading values of each indicator. According to Hair et al. (2013), CR values of 0.70 or higher indicate that the construct has acceptable reliability and that the indicators consistently measure the same underlying concept.

As shown in the results of the measurement model, all constructs in this study have CR values above 0.70. These values not only confirm the stability and reliability of the measurement items but also demonstrate that the indicators contribute meaningfully to their respective latent variables. Because the constructs exhibit strong reliability, the structural model can be confidently interpreted in the hypothesis-testing phase. In other words, the high CR values reinforce that any significant relationships observed in the structural model—such as the effects of Proactiveness, Innovativeness, and Risk-Taking on Entrepreneurial Intention—are not influenced by measurement error but are attributed to reliable construct estimation.

Inner Model Test

a. Direct Effect

Based on the results of the direct effect analysis in the structural model, all hypothesized relationships were found to be statistically significant, with p-values below the 0.05 threshold. The analysis shows that Proactiveness, Innovativeness, and Risk-Taking significantly influence both Entrepreneurial Intention and Motivational Factors. This indicates that individuals who are more proactive, more innovative, and more willing to take risks tend to demonstrate stronger motivational drivers, which subsequently lead to a higher intention to engage in entrepreneurial activities. These results provide empirical support for all proposed hypotheses, confirming that entrepreneurial characteristics play a crucial role in shaping both

motivational aspects and the desire to pursue entrepreneurship.

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Innovativeness -> Entrepreneurial Intention	0.161	0.16	0.059	2.733	**0.006**
Innovativeness -> Motivational Factors	0.248	0.25	0.055	4.55	**0**
Motivational Factors -> Entrepreneurial Intention	0.356	0.351	0.06	5.93	**0**
Proactiveness -> Entrepreneurial Intention	0.177	0.178	0.061	2.925	**0.004**
Proactiveness -> Motivational Factors	0.5	0.495	0.054	9.182	**0**
Risk-Taking -> Entrepreneurial Intention	0.293	0.297	0.066	4.429	**0**
Risk-Taking -> Motivational Factors	0.221	0.225	0.061	3.642	**0**
Source: Real Data Smart PLS					

b. Indirect Effect

The results of the indirect effect analysis indicate that Motivational Factors significantly mediate the relationship between the three independent variables (Proactiveness, Innovativeness, and Risk-Taking) and Entrepreneurial Intention, with p-values < 0.05. The table presented shows that all p-values are below 0.05, confirming that each of the independent variables has a significant influence on Entrepreneurial Intention through Motivational Factors as the mediating variable.

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Innovativeness -> Motivational Factors -> Entrepreneurial Intention	0.088	0.088	0.024	3.667	**0**
Proactiveness -> Motivational Factors -> Entrepreneurial Intention	0.178	0.174	0.035	5.075	**0**
Risk-Taking -> Motivational Factors -> Entrepreneurial Intention	0.079	0.079	0.026	3.004	**0.003**
Source: Real Data Smart PLS					

Model Fit Test

a. R Square

The R Square (R^2) value is used to evaluate how well the independent variables explain the variance of the dependent variable within the structural model. According to Hair et al. (2013), an R^2 value of 0.75 or higher is classified as "substantial." The results show that the Entrepreneurial Intention variable has an R^2 value of 0.902, indicating that 90.2% of the variation in entrepreneurial intention is explained by Proactiveness, Innovativeness, Risk-Taking, and Motivational Factors. Meanwhile, the Motivational Factors construct presents an R^2 value of 0.881, demonstrating that 88.1% of the variability in motivational factors is influenced by Proactiveness, Innovativeness, and Risk-Taking.

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics (O/STDEV)	P Values
Entrepreneurial Intention	0.902	**0.904**	0.014	65.864	0
Motivational Factors	0.881	**0.882**	0.014	62.63	0
Source: Real Data Smart PLS					

b. Standarized Root Mean Square Residual (SRMR) Ratio

The Standardized Root Mean Square Residual (SRMR) is used to assess the overall fit of the structural model and helps determine whether the proposed model is reliable and valid. A lower SRMR value indicates better model fit, with < 0.05 considered an excellent threshold. The results in the table show that the SRMR value is below 0.05, indicating that the model demonstrates an excellent fit.

	Original Sample (O)	Sample Mean (M)	95%	99%
Saturated Model	0.051	0.039	0.043	0.045
Estimated Model	0.051	0.039	0.043	0.045
Source: Real Data Smart PLS				

DISCUSSION

The results indicate that proactiveness has a significant positive effect on entrepreneurial intention, thus supporting H1. This finding suggests that MSME actors who demonstrate proactive behavior—such as anticipating market changes and actively seeking opportunities—are more likely to develop a strong intention to pursue entrepreneurship. In the context of the Food and Beverage sector in Batam City, proactive individuals are better positioned to recognize business opportunities and respond effectively to competitive pressures, which strengthens their entrepreneurial career orientation. This finding is in line with Suprapto & Angelina (2024), who emphasizes that proactive behavior enables MSME actors to anticipate environmental changes and maintain business sustainability in competitive markets.

The findings further reveal that innovativeness significantly influences entrepreneurial intention, supporting H2. This result implies that MSME actors who enjoy experimenting with new ideas, applying creative approaches, and developing unique solutions tend to exhibit stronger entrepreneurial intentions. Innovativeness enables entrepreneurs to differentiate their products and services, making entrepreneurship a more attractive and viable career option in dynamic market environments. This finding supports previous studies suggesting that innovation-oriented individuals possess stronger entrepreneurial intentions because creativity enhances opportunity recognition and self-confidence in entrepreneurial decision-making.

Regarding H3, the results confirm that risk-taking has a significant positive effect on entrepreneurial intention. This indicates that individuals who are willing to accept uncertainty and make bold decisions are more inclined to engage in entrepreneurial activities. Given that entrepreneurship inherently involves uncertainty, a higher tolerance for risk encourages MSME actors to commit to business creation and growth despite potential challenges. This finding is consistent with Suprapto et al. (2025)view that risk-taking is a critical entrepreneurial trait that supports business continuity and growth among MSMEs.

The analysis also shows that proactiveness has a significant positive effect on motivational factors, thereby supporting H4. Proactive individuals tend to possess stronger motivation because they actively seek challenges and opportunities that foster personal growth

and satisfaction. This proactive mindset enhances intrinsic motivation, which is essential for sustaining entrepreneurial engagement. Similarly, the results demonstrate that innovativeness significantly affects motivational factors, supporting H5. MSME actors who exhibit innovative behavior are more motivated to pursue entrepreneurship due to their desire to create value, implement new ideas, and achieve self-fulfillment.

In addition, risk-taking is found to have a significant positive effect on motivational factors, thus supporting H6. Individuals who are comfortable with uncertainty and potential failure tend to develop higher motivation, as they perceive risk as an opportunity for learning and achievement rather than a barrier. This motivational reinforcement is crucial for sustaining entrepreneurial efforts in uncertain business environments. These findings align with previous research emphasizing that motivation serves as a key psychological mechanism linking entrepreneurial characteristics to entrepreneurial behavior.

The findings further indicate that motivational factors significantly influence entrepreneurial intention, confirming H7. This result highlights the central role of motivation in shaping entrepreneurial intention. MSME actors who experience strong intrinsic satisfaction, autonomy, and financial expectations are more likely to commit to entrepreneurship as a long-term career path. This finding is consistent with the argument of Putra (2025), who states that motivational and experiential factors significantly influence intention-driven behavior among business actors, thereby strengthening their commitment to entrepreneurial activities.

With respect to the mediation hypotheses, the results show that motivational factors significantly mediate the relationship between proactiveness and entrepreneurial intention, supporting H8. This suggests that proactive behavior leads to stronger entrepreneurial intention primarily when it enhances individual motivation. Motivation acts as a mechanism that transforms proactive tendencies into concrete entrepreneurial commitment. Furthermore, the mediation analysis confirms that motivational factors significantly mediate the relationship between innovativeness and entrepreneurial intention, thus supporting H9. Innovative individuals are more likely to develop entrepreneurial intention when their creativity and originality increase their motivational drive to start and sustain a business.

Finally, the results indicate that motivational factors significantly mediate the relationship between risk-taking and entrepreneurial intention, supporting H10. This finding suggests that risk-taking attitudes strengthen entrepreneurial intention through increased motivation, enabling individuals to manage uncertainty and persist in entrepreneurial activities. Overall, these findings confirm that all proposed hypotheses (H1–H10) are supported. Proactiveness, innovativeness, and risk-taking not only directly influence entrepreneurial intention but also indirectly affect it through motivational factors.

From a theoretical perspective, this study strengthens the entrepreneurial intention literature by empirically validating the mediating role of motivational factors within the MSME context, particularly in the Food and Beverage sector. From a practical perspective, the findings suggest that entrepreneurship development programs should not only focus on enhancing entrepreneurial skills but also prioritize strengthening motivational aspects. Policymakers, educators, and business development institutions are encouraged to design programs that foster proactive, innovative, and risk-tolerant behavior while simultaneously enhancing entrepreneurial motivation to support sustainable MSME growth.

CONCLUSION

This study investigates the effects of proactiveness, innovativeness, and risk-taking on entrepreneurial intention, with motivational factors serving as a mediating variable among MSME actors in the Food and Beverages sector in Batam City. The findings reveal that all three entrepreneurial characteristics—proactiveness, innovativeness, and risk-taking—have a

significant positive effect on entrepreneurial intention. In addition, these characteristics also significantly influence motivational factors, which in turn strengthen entrepreneurial intention.

The results further confirm that motivational factors play a crucial mediating role in the relationship between entrepreneurial characteristics and entrepreneurial intention. This indicates that entrepreneurial traits alone are not sufficient to generate strong entrepreneurial intention unless they are supported by adequate motivational drivers. Motivation functions as a psychological mechanism that transforms proactive, innovative, and risk-taking tendencies into a concrete intention to engage in entrepreneurial activities.

Overall, the structural model demonstrates strong explanatory power, indicating that entrepreneurial intention among MSME actors is largely shaped by both individual characteristics and motivational factors. These findings emphasize the importance of fostering not only entrepreneurial skills but also motivational aspects to support sustainable entrepreneurial intention, particularly in highly competitive sectors such as Food and Beverages. From a practical perspective, the results provide valuable insights for policymakers, educators, and entrepreneurship development institutions in designing programs that strengthen entrepreneurial capabilities while simultaneously enhancing motivation among MSME actors.

LIMITATIONS AND FUTURE RESEARCH

Despite its contributions, this study has several limitations that should be considered when interpreting the findings. First, the study focuses solely on MSME actors in the Food and Beverages sector in Batam City. As a result, the findings may not be fully generalizable to MSMEs operating in other sectors or regions with different economic and cultural contexts. Future research is encouraged to examine similar models across various industries and geographical areas to enhance the generalizability of the results.

Second, this study employs a cross-sectional research design, which captures respondents' perceptions at a single point in time. Consequently, the findings cannot fully explain changes in entrepreneurial intention over time. Future studies may adopt a longitudinal approach to better understand how entrepreneurial characteristics, motivation, and intention evolve throughout different stages of business development.

Third, the data were collected using self-reported questionnaires, which may be subject to response bias or social desirability bias. Future research could incorporate mixed methods, such as in-depth interviews or qualitative case studies, to provide a more comprehensive understanding of the factors influencing entrepreneurial intention.

Finally, future studies may consider including additional variables, such as entrepreneurial self-efficacy, social support, digital capability, or environmental factors, to further enrich the model. Exploring moderating variables, such as gender, age, or business experience, may also provide deeper insights into the conditions under which entrepreneurial intention is strengthened among MSME actors.

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