

Exploring the Relationship Between Financial Competence and Entrepreneurial Ambitions in Digital Business Education

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ABSTRACT

This research investigates the relationship between financial competence and entrepreneurial ambitions within the context of digital business education. The primary focus is on the impacts, challenges, and opportunities of integrating financial literacy into entrepreneurial training in digital business programs. We analyze significant changes in student aspirations and outcomes resulting from enhanced financial competence. This study identifies the crucial role of financial education as a driver of entrepreneurial success while exploring how educational strategies evolve to accommodate these new dynamics. This relationship's social, economic, and cultural impacts are also examined. The challenges educational institutions face in implementing these changes are presented alongside opportunities to enhance student innovation, efficiency, and sustainability. This research contributes to a deep understanding of the dynamic relationship between financial competence and entrepreneurial ambitions, detailing practical implications for educators and policymakers in the digital business education sector.

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1. INTRODUCTION

The ongoing digital transformation era is ushering in profound changes in the operations of businesses and organizations, underscoring the necessity for heightened financial competence among future entrepreneurs[1]. The rapid pace of technological advancements, including artificial intelligence, cloud computing, and the Internet of Things, drives a new terrain that necessitates swift adaptation across diverse sectors. This transformation revolutionizes our modes of communication and transactions and fundamentally

reshapes our work methods and organizational management[2] [3]. Educational institutions play a central role in this digital transformation journey, especially in the context of digital business education. Business paradigms and educational strategies that may have been successful in previous eras now face changing relevance and effectiveness in this dynamic environment. Therefore, this research focuses on the relationship between financial competence and entrepreneurial ambitions, aiming to understand how educational strategies must adapt, change, and harness technological innovations to ensure sustainability and success[4].

This research explores the evolving relationship between financial competence and entrepreneurial ambitions in digital business education[5][6]. It is not just about isolated changes but a dynamic relationship where progress in one area can influence developments in others, creating a continuity that needs to be understood and maximally utilized. This relationship acts as a bridge between financial education and entrepreneurial success, driving the transformation of business education. In this context, the research examines the impacts and implications of integrating financial competence into digital business education. The primary focus is on how financial literacy affects student entrepreneurial ambitions and the critical role of financial education as a catalyst for success[7].

2. LITERATURE REVIEW

2.1 The Role of Financial Competence in Entrepreneurial Education

2.1.1 Financial Literacy Strategies

Effective financial literacy strategies involve using comprehensive educational tools and platforms to enhance students' understanding of financial concepts. Financial competence is crucial for successful entrepreneurial education as it ensures that students are well-equipped to make informed financial decisions[8][9].

2.1.2 Impact of Financial Literacy on Entrepreneurial Ambitions

Financial competence acts as a bridge between theoretical knowledge and practical entrepreneurial skills. Effective financial literacy strategies help smooth the transition from education to entrepreneurship by ensuring students are well-informed and prepared[10][11].

2.2 Technological Innovation in Education

2.1.3 Definition of Technological Innovation

Technological innovation in education involves applying and developing new technology or significantly upgrading existing technology to improve learning outcomes. This often includes utilizing advanced technologies such as artificial intelligence, cloud computing, and the Internet of Things[12][13].

Table 1. The following table illustrates the digital transformation and the role of technology.

No.	Aspects	Data
1.	Strategy Management	Adoption of management strategies responsive to technological innovation.
2.	Artificial Intelligence	Implementation of AI in strategic decision-making to increase efficiency and effectiveness.
3.	Change Management	Development of a change management plan to minimize resistance and maximize student adaptation.
4.	IoT Integration Utilizing	IoT for data integration and creating an environment that supports innovation and efficiency.

2.3 The Key Role of Artificial Intelligence

Artificial Intelligence (AI) plays a crucial role in educational innovation. Its ability to analyze data, identify patterns, and provide personalized learning experiences significantly impacts educational processes and outcomes[14].

2.4 Cloud Computing for Access and Efficiency

The use of cloud computing allows educational institutions to access resources quickly and efficiently without the need for significant investments in physical infrastructure. This provides the flexibility and scalability required to respond to dynamic educational demands[15].

2.5 Internet of Things (IoT) and Data Integration

IoT enables connected devices to communicate with each other, creating an ecosystem where data can be accessed and used seamlessly. This opens the door to operational efficiency and educational innovation through in-depth data analysis[16][17].

2.6 The Role of Management in Corporate Transformation

2.6.1 Evolution of Management Paradigms

Digital transformation triggers the evolution of educational management paradigms. Modern management must act as a change agent, responsive to technological innovations, and capable of guiding educational institutions through transformation with a clear vision[18][19].

2.6.2 Management Strategies in a Digital Context

Management strategies must adapt to changes in the digital educational environment. Flexibility, agility, and a focus on sustainability are key to success[20][21].

2.6.3 Change Management and Employee Engagement:

Change management is critical in the context of digital transformation. Student engagement, the development of new skills, and managing resistance to change are aspects that need attention[22].

Table 2. Management Planning and Technological Innovation

No	Aspects	data
1.	Strategy Management	Adoption of management strategies responsive to technological innovation.
2.	Artificial intelligence	Implementation of AI in strategic decision-making to increase efficiency and effectiveness.
3.	Change Management	Development of a change management plan to minimize resistance and maximize student adaptation.
4.	IoT Integration	Utilizing IoT for data integration and creating an environment that supports innovation and efficiency.

2.7 Management Planning and Technological Innovation

2.7.1 Educational Objectives

Establish clear educational transformation goals in terms of technological innovation and change management to achieve sustainability and competitiveness[23].

2.7.2 Skills Development Plan:

Create student skills development plans to ensure they have the necessary competencies to face

technological changes.

2.7.3 Evaluation of Educational Innovation Performance

Establish performance evaluation metrics for educational innovation and management integration, ensuring that progress can be measured and optimized[24][25].

2.7.4 Use of Strategic Plans

Use strategic plans as a guide to integrate technological innovation and management's role in achieving educational goals[26]. With a focus on technological innovation and the role of management, this research is expected to provide valuable insights for educational institutions seeking to optimize their digital transformation[27][28][29].

3. METHOD

This study employs a quantitative approach to measure the relationship between financial competence and entrepreneurial ambition in the context of digital business education. This approach was chosen because it allows the collection of numerical data that can be statistically analyzed to identify patterns and relationships. The research utilizes a cross-sectional survey design to gather data from several respondents simultaneously, thus enabling an overview of the relationship between the variables studied. The population in this study consists of students enrolled in digital business education programs at various universities in Indonesia, South Africa, and New Zealand. The sample was selected using a stratified random sampling technique to ensure proportional representation from each university, with a total sample size of 300 students from 10 universities.

Data were collected using a questionnaire comprising three main sections: respondent demographics, financial competence, and entrepreneurial ambition. The questionnaire was distributed online to reach respondents in various locations. Before distribution, a pilot test was conducted with 30 respondents to ensure the clarity and reliability of the research instrument. Data obtained from the pilot test were analyzed for improvements before being distributed to the study sample. The collected data were analyzed using descriptive and inferential statistical methods. Descriptive analysis was used to describe the characteristics of the respondents and the distribution of research variables, while inferential analysis, such as linear regression, was used to test hypotheses and identify the relationship between financial competence and entrepreneurial ambition.

To ensure the validity and reliability of the instrument, construct validity tests were conducted using Confirmatory Factor Analysis (CFA) and reliability tests using Cronbach's Alpha coefficient. These tests were conducted to ensure that the instrument used is reliable and valid in measuring the concepts studied. This research, with a strong commitment to ethical standards, received approval from the ethics committees of the participating universities. All respondents were provided with complete information regarding the purpose of the study and their rights as participants, including the right to withdraw at any time without consequence.

4. RESULT AND DISCUSSION

Of the 300 respondents who participated in this study, the majority were male (60%) and the rest were female (40%). The respondents' ages ranged from 18 to 25 years, with an average age of 21 years. Most respondents were in their third year of the digital business education program (55%), while the rest were distributed in the first, second, and fourth years.

Table 1. Respondent Demographic Characteristics

Characteristic	Number (N)	Percentage (%)
Gender		
Male	180	60
Female	120	40
Age		
18-20 years	100	33.33
21-23 years	150	50

24-25 years	50	16.67
Year of Study		
First Year	50	16.67
Second Year	60	20
Third Year	165	55
Fourth Year	25	8.33

Descriptive analysis results showed that the level of financial competence among digital business students was quite high, with an average financial competence score of 75 out of 100. Reliability tests indicated that the instrument used had a Cronbach's Alpha coefficient of 0.85, demonstrating good reliability. Construct validity tests using Confirmatory Factor Analysis (CFA) confirmed that all items in the instrument had loading factors above 0.5, indicating good validity.

Table 2. Financial Competence Analysis Results

Description	Mean Score	Cronbach's Alpha	Loading Factor
Financial Competence	75	0.85	> 0.5

The entrepreneurial ambition of students was also rated high, with an average score of 80 out of 100. The reliability test for this instrument resulted in a Cronbach's Alpha coefficient of 0.88, indicating that this instrument also had excellent reliability. Construct validity tests using CFA showed that all items had loading factors above 0.5, indicating adequate validity.

Table 3. Entrepreneurial Ambition Analysis Results

Description	Mean Score	Cronbach's Alpha	Loading Factor
Entrepreneurial Ambition	80	0.88	> 0.5

Linear regression analysis showed a significant relationship between financial competence and entrepreneurial ambition. A regression coefficient of 0.45 ($p < 0.01$) indicated that a one-unit increase in financial competence would increase entrepreneurial ambition by 0.45 units. An R^2 value of 0.30 showed that 30% of the variability in entrepreneurial ambition could be explained by financial competence.

Table 4. Linear Regression Analysis Results

Independent Variable	Regression Coefficient	p-value	R²
Financial Competence	0.45	<0.01	0.30

The results of this study indicate that good financial competence can enhance entrepreneurial ambition among digital business students. These findings are consistent with previous literature stating that a solid understanding of finance can boost confidence in taking risks and recognizing entrepreneurial opportunities. Additionally, these results highlight the importance of financial education in digital business study programs to support entrepreneurial development among students.

1. CONCLUSION

This study has successfully demonstrated a positive and significant relationship between financial competence and entrepreneurial ambition among digital business students. The findings suggest that students with higher financial competence tend to have greater entrepreneurial ambition, indicating that financial literacy plays a crucial role in fostering entrepreneurial mindset and behavior. This aligns with previous research highlighting the importance of financial education in building confidence and capability for entrepreneurial activities. The significance of financial competence in driving entrepreneurial ambition underscores the need for educational institutions to prioritize financial education within their curricula. By equipping students with robust financial knowledge and skills, institutions can enhance their students' ability to make informed financial decisions, recognize business opportunities, and effectively manage resources. This, in turn, can foster a more entrepreneurial culture within the academic environment, encouraging more students to pursue entrepreneurial ventures.

Moreover, the findings highlight the importance of integrating practical financial training with theoretical knowledge. Hands-on experiences, such as internships, simulations, and real-world projects, can provide students with valuable insights into the financial aspects of running a business. These experiences can bridge the gap between classroom learning and real-world application, ensuring that students are better prepared to navigate the complexities of the business world.

The positive correlation between financial competence and entrepreneurial ambition also suggests that policymakers and educators should consider collaborative efforts to enhance financial education. Partnerships between educational institutions, financial experts, and industry professionals can result in more comprehensive and relevant financial training programs. Such collaborations can ensure that the curriculum remains up-to-date with the latest industry practices and trends, providing students with the most relevant and practical knowledge.

Additionally, the study's results indicate a broader implication for entrepreneurship education as a whole. Beyond financial competence, other areas such as marketing, management, and innovation should also be emphasized to create well-rounded entrepreneurs. A holistic approach to entrepreneurship education can better prepare students to tackle various challenges and seize opportunities in the business world, ultimately contributing to economic growth and job creation.

In conclusion, the relationship between financial competence and entrepreneurial ambition highlights the critical role of financial education in nurturing future entrepreneurs. Educational institutions must recognize this and integrate comprehensive financial training into their programs. By doing so, they can empower students with the necessary skills and confidence to embark on entrepreneurial endeavors, driving innovation and economic development. Continued research in this area is essential to further understand the various factors influencing entrepreneurial ambition and to develop effective strategies for fostering entrepreneurial talent.

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Educational institutions should continue to integrate evolutionary synergies between technology and management. Focus on developing student technology-related skills, strengthening adaptive management strategies, and creating an environment that supports innovation. Emphasis on change management is also essential to overcome resistance and optimize emerging opportunities.

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