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The Role of Entrepreneurial Intention as a Mediating Variable in Enhancing Opportunity Recognition

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Abstract: Opportunity recognition refers to the process by which individuals identify and leverage ideas or concepts to establish new business ventures. Among various sectors, agriculture has shown the slowest growth in recent years compared to other industries. This study seeks to enhance individuals' ability to analyze business opportunities by examining the roles of entrepreneurial intention and internal locus of control in future business development. A total of 60 respondents participated in this study. The respondents were selected using purposive sampling based on specific criteria relevant to the research objectives. Data were obtained through a structured questionnaire utilizing a Likert scale, which was distributed in both online and printed formats. The collected data were then analyzed using Structural Equation Modeling (SEM) by employing path coefficient analysis. The results show that entrepreneurial motivation influences entrepreneurial intention, while internal locus of control does not. Entrepreneurial intention affects opportunity recognition. Indirectly, entrepreneurial motivation impacts opportunity recognition through entrepreneurial intention, but internal locus of control does not.

Keywords: Entrepreneurial Intention; Internal Locus of Control; Opportunity Recognition; Entrepreneurial Motivation

A. Introduction

Opportunity recognition refers to the process by which individuals identify and develop business concepts. It plays a crucial role in responding to market demands, rapidly changing trends, technological developments, and government policies. Entrepreneurs must possess the ability to analyze opportunities as they may arise at various times, depending on market trends, technological shifts, economic conditions, and socio-cultural changes. Such opportunities can be identified at local, national, or international levels. Recognizing business opportunities often involves market research, creativity, innovation, risk analysis, and trial implementation to ensure efficiency and effectiveness. The main objective of this study is to analyze the influence of internal locus of control and entrepreneurial motivation on opportunity recognition, with entrepreneurial intention as a mediating variable.

The relationship between opportunity recognition and business growth across various industrial sectors is considered a key entrepreneurial capability. Among these sectors, agriculture has shown the slowest growth in recent years (see Table 1). This stagnation may be attributed to global warming, extreme weather patterns, and unpredictable rainfall, which have led to food shortages and declining agricultural productivity (Malhi et al., 2021) .

Table 1. Economic Growth in Indonesia's Industrial Sector

No	Industrial Sector	Growth Rate
1.	Transportation	19.87%
2.	Trade	5.25%
3.	Manufacturing Industry	4.89%
4.	Mining	4.38%
5.	Agriculture	2.25%

Source: (Bachmann et al., 2024)

According to previous research, the issue of slow growth in the agricultural sector can be addressed through the enhancement of internal locus of control (Wang & Huang, 2022) . Internal locus of control refers to an individual's belief that their efforts, abilities, intelligence, and skills significantly influence their future (Abdullah et al., 2021) . It is a critical attribute for entrepreneurs, startups, and corporate managers alike, enabling them to respond effectively to market trends and ensuring long-term sustainability. Internal locus of control contributes to innovation, risk-taking, decision-making, personality development, and adaptation to environmental changes (Ezeh & Abdulrahman, 2022) . Individuals with a strong internal locus of control tend to believe that success is a result of hard work, self-discipline, and risk management. It also involves confidence in personal success, behavioral control, full responsibility, and positive perception of one's actions (Wang & Huang, 2022) .

In addition to internal locus of control, an individual's effort to improve opportunity recognition can be strengthened through entrepreneurial intention. Entrepreneurial intention refers to the desire and commitment of individuals to start new ventures (Wang & Huang, 2022) . It is essential for anyone aspiring to become an entrepreneur, as it reflects their readiness and determination to launch a business (Neneh & Dzomonda, 2024) . Entrepreneurial intention is influenced by personal control, achievement motivation, and the drive for innovation (Soomro & Shah, 2023) . It is manifested in actions such as business creation, planning, risk assessment, and resource mobilization (Bachmann et al., 2024) .

Furthermore, entrepreneurial motivation is an internal drive that compels individuals to engage in entrepreneurial activities (Widyaningrum et al., 2024) . This motivation includes belief in one's abilities and the anticipation of outcomes derived from creating and managing a business (Shi & Wang, 2021) . It plays a vital role in fostering creativity, resilience, commitment, and innovation. Typically, entrepreneurial motivation is observed among individuals driven by achievement, independence, and readiness to face risks, and is nurtured in supportive environments such as educational institutions, business communities, and conducive socio-economic conditions (Srimulyani & Hermanto, 2022) . It is often triggered when individuals encounter business opportunities or situations requiring innovation and independent decision-making (Batz Liñeiro et al., 2024) . Such motivation develops through the internalization of values, personal experience, and learning, and is shaped by self-perception and expectations of outcomes, which ultimately encourage concrete entrepreneurial actions (Fazal et al., 2022) .

1.2 OPPORTUNITY RECOGNITION

Opportunity recognition is the process by which individuals identify opportunities, resources, and environmental changes (Tu et al., 2023) . Opportunity recognition refers to an individual's capacity to evaluate business ideas and enhance product value with the aim of generating economic returns (Palladan & Ahmad, 2021) . Opportunity recognition is

understood as an individual's effort to identify and discover potential business opportunities (Aini, 2022) . In this study, it is defined as the ability to analyze business opportunities by utilizing available resources to generate profit. Previous research has employed various indicators to measure this construct, including business growth, venture potential, new product innovation, and entrepreneurial ideas (Tian et al., 2022) . entrepreneurial journey, entrepreneurial gatherings, tacit knowledge, and explicit knowledge (Lim et al., 2021) . as well as micro-business owners, business organizations, and emerging opportunities (Muddat et al., 2021) . This study adopts three indicators to measure opportunity recognition: new product innovation, entrepreneurs gathering, and business organizations. These indicators were selected based on their high validity values, falling within the acceptable range of 0.70 to 0.90. New product innovation in this study refers to products that have never existed before or improvements made to existing products by agricultural entrepreneurs. Entrepreneurs gather refers to groups of entrepreneurs who share experiences and collaborate within the agricultural sector. Business organizations refer to companies that provide products or services to generate profits in the agricultural sector.

1.3 INTERNAL LOCUS OF CONTROL

Internal locus of control refers to an individual's belief in their ability to exercise self-control and that every action will result in specific consequences (El Jisr et al., 2021) . It describes a personal conviction that one can influence what happens in their life through their own actions (Delgado et al., 2022) . Individuals with a strong internal locus of control are considered capable of developing their abilities in a positive direction (Wardani & Jacqueline Mariae Tjandraningtya, 2023) . . In this study, internal locus of control is defined as the extent to which individuals perceive themselves as having full control over their behavior, confidence in the outcomes of their actions, and the freedom to make decisions independently.

Various studies have proposed different indicators to measure this construct. The Identified indicators such as responsibility, behavior, ability, change through behavior, and effort (Karya et al., 2022) . In other research, the indicators used efforts, becoming a leader, hard work, and luck (Sunaryo & Hasnawati, 2023) . Meanwhile, measure it using indicators such as resolving numerous issues, changing vital matters, and controlling the future (Nur et al., 2023) . Based on these references, the present study adopts three indicators: effort, luck, and change the vital matters, which were selected for their high validity (in the range of 0.70–0.90). In this context, effort refers to the hard work undertaken by agricultural entrepreneurs to achieve their business goals. Luck is defined as unexpected events perceived as fortunate circumstances contributing to business success. Change the vital matters refers to the entrepreneurs' ability to address and resolve significant challenges encountered in the agricultural sector.

1.4 ENTREPRENEURIAL MOTIVATION

Entrepreneurial motivation can be understood as an aspiration or an individual tendency to independently and regularly formulate, manage, and master ideas or systems in a structured manner (Saoula et al., 2023) . In the entrepreneurial context, motivation is not merely seen as a drive to accumulate wealth but also encompasses psychological factors such as positive emotions and a commitment to social missions, both of which significantly influence the direction and process of one's entrepreneurial journey (Shi & Wang, 2021) . Generally, motivation serves as an intrinsic stimulus that activates an individual's internal potential, driving them to achieve their intended goals (Hassan et al., 2021) .

As a research variable, entrepreneurial motivation has been measured using several key indicators. Ingsih et al. (2024) proposed indicators such as social needs, testing ideas, and making a profit. In this study, social needs refer to the individual's drive to build social relationships and contribute to society through entrepreneurial activities (Ingsih et al., 2024) . Testing ideas reflects the desire to realize and validates new ideas in tangible forms. Make a profit represents the fundamental goal of earning financial returns from entrepreneurial activities. In addition to this, this study also considers taking advantage of opportunities as a relevant

indicator, emphasizing the entrepreneur's ability to act decisively when presented with business prospects. The selection of these indicators—social needs, testing ideas, take advantage of opportunities, and make a profit—was based on their strong validity range (0.70–0.90), confirming their appropriateness for measuring entrepreneurial motivation.

1.5 ENTREPRENEURIAL INTENTION

Entrepreneurial intention denotes an individual's deliberate commitment to initiate and pursue the development of a new business venture (Altinay et al., 2022) . It reflects an individual's desire to seek out entrepreneurial opportunities and implement them effectively (Goktan & Gupta, 2021) . Entrepreneurial intention also embodies a strong belief in one's capacity to establish a new enterprise and a willingness to take calculated risks (Ilhami & Info, 2023) . In this study, entrepreneurial intention is defined as an individual's aspiration to establish a business, motivated by a strong commitment and readiness to undertake entrepreneurial risks.

As a construct, entrepreneurial intention has been measured using a variety of indicators. Bağış et al. (2024) proposed dimensions such as starting a business, running one's own company, and consistently choosing to pursue entrepreneurship (Bağış et al., 2024) . Other scholars, including Barba-Sánchez et al. (2022), measured it using indicators such as becoming an entrepreneur, setting entrepreneurship as a career goal, and establishing a company (Barba-Sánchez et al., 2022) . Del-Aguila-Arcentales et al. (2022) further expanded the measurement to include becoming an entrepreneur, being self-employed, starting a business or firm, succeeding in business, starting a business to fulfill family needs, and doing so to attain social status (Del-Aguila-Arcentales et al., 2022) . .

In this study, three indicators were selected to measure entrepreneurial intention: start a business, create a company, and succeed in business. These indicators were chosen based on their strong validity values (ranging from 0.70 to 0.90). The *start business* indicator refers to the entrepreneur's early efforts in the agricultural sector, such as generating business ideas, conducting market research, developing business plans, obtaining licenses, and initiating operations. *Create a company* maintains the formal establishment of an agricultural enterprise, including planning, resource allocation, organizational structuring, and the adoption of ethical business practices. *Success in business* reflects the entrepreneur's ability to grow the business and generate sustainable profits within the agricultural industry.

Given the persistent low growth of the agricultural sector which poses a potential threat to Indonesia's long-term economic sustainability this study seeks to analyze internal locus of control and entrepreneurial motivation as predictor variables, with entrepreneurial serving intention as a mediating variable.

While prior studies have explored various factors influencing entrepreneurial intention and opportunity recognition, most have concentrated on general or well-established sectors such as technology, manufacturing, and services. Limited attention has been given to the agricultural sector a critical domain for food security and regional economic growth, yet often characterized by stagnant development. This study seeks to address this gap by examining the role of entrepreneurial intention as a mediating variable between internal locus of control and entrepreneurial motivation within the context of agriculture.

Opportunity recognition in the context of agricultural entrepreneurship in Indonesia. Thus, this study is expected to enrich the academic literature and provide a new perspective on entrepreneurship development in a sector that has received little attention.

B. Materials and Methods

Opportunity Recognition and Internal Locus of Control

This study employed a quantitative research design with a 95% confidence level. Such a design enables the researcher to systematically collect data and construct an analytical framework to explore the causal relationships among research variables (Paramita et al., 2021) . The objectives of this causal research are threefold: first, to investigate the influence of exogenous and endogenous variables in the context of entrepreneurship; second, to determine the nature of the relationship among these variables;

and third, to test hypotheses regarding the causal connections among them.

six major agricultural sub-sectors in Indonesia, namely: food crops , horticulture , plantations , livestock , fisheries , and forestry (*Iwu et* al ., 2021 *)* . The population boundaries were determined based on the availability and distribution of physical farming areas across Indonesia.

Data collection was conducted through a survey using structured questionnaires containing closed-ended questions. These questionnaires were distributed to selected respondents to obtain measurable responses aligned with the research objectives (Paramita et al., 2021) . The survey instrument included indicators for three key constructs: (1) internal locus of control, measured by effort, luck, and change the vital matters; (2) entrepreneurial intention, measured by starting a business, creating a company, and succeeding in business; and (3) opportunity recognition, measured by new product innovation, entrepreneurs gathering, and business organizations.

The sample consisted of 60 respondents selected through purposive sampling, based on predefined criteria relevant to the research focus. Referring to Hair et al. (2022), the minimum sample size for analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM) should be at least 10 times the maximum number of structural paths directed at any construct in the model. Therefore, the sample size in this study meets the minimum requirement and is deemed appropriate for further analysis.

The data analysis in this study employed a statistical approach. The analysis involved two main procedures: first, testing the validity of measurement using outer loading values, and second, hypothesis testing using path analysis. The measurement scale applied in this study was the interval scale, which allows for arithmetic operations and is appropriate for assessing attitudes using a Likert-type response format. The Likert scale requires respondents to indicate the extent of their agreement or disagreement with a series of statements, ranging from "strongly disagree" to "strongly agree." The following section presents the hypotheses proposed in this study.

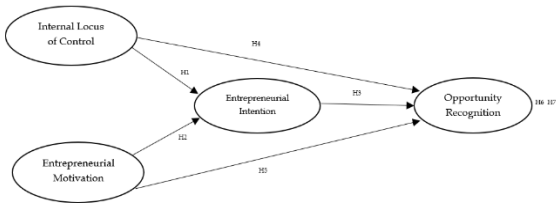


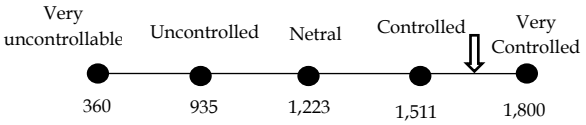
Figure 1. Conceptual Framework

Source: (Wang & Huang, 2022) , (yulianalska-kuźma & Caniëls, 2023) , (Yuliana & Soepatini, 2024)

H1: Internal locus of control has a significant influence on entrepreneurial intention. H2: Entrepreneurial motivation has a significant influence on entrepreneurial intention. H3: Entrepreneurial intention has a significant influence on opportunity recognition. H4: Internal locus of control has a significant influence on opportunity recognition. H5: Entrepreneurial motivation has a significant influence on opportunity recognition. H6: Internal locus of control has an indirect influence on opportunity recognition through entrepreneurial intention. H7: Entrepreneurial motivation has an indirect influence on opportunity recognition through entrepreneurial intention.

C. Results and Discussion

The internal locus of control among agricultural entrepreneurs was evaluated through three aspects: effort, luck, and change the vital matters. The results indicated that the overall level of internal locus of control was categorized as moderately controlled (as illustrated in Figure 2). The average score across all dimensions was 4.41, suggesting a relatively strong internal perception of control. Among the three dimensions, effort recorded the highest average score of 4.54, indicating that most entrepreneurs believed that achieving goals requires persistent effort. In contrast, the dimension with the lowest score was luck, with an average of 4.32, implying a lower reliance on chance or unexpected factors in achieving business success.

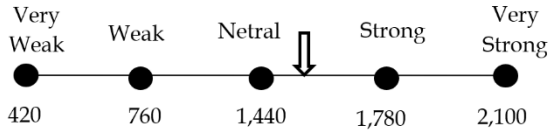


Figures. 2. Continuum line on internal locus of control

Source: (*Excel* , 2025)

Based on the data, agricultural entrepreneurs demonstrated a relatively high level of internal locus of control. Specifically, 51.67% of respondents agreed that achieving their goals requires hard work, while 56.67% acknowledged that effort is essential for business success. However, only 35.00% believed they would encounter or lucky situations in their entrepreneurial journey, and 45.00% expected to gain profit from their business activities. Additionally, 48.33% anticipated facing unforeseen events in the future, and 36.67% expressed confidence in their ability to resolve the problems that may arise in their business operations.

With regard to entrepreneurial intention, the analysis was based on three core dimensions: starting a business, creating a company, and succeeding in business. The overall entrepreneurial intention among agricultural entrepreneurs was categorized as strong (as shown in Figure 3), with an average score of 4.47. Among the dimensions, *creating a company* had the highest mean score of 4.57, indicating that many respondents were highly committed to formally establishing their own business. In contrast, *succeeding in business* received the lowest score, averaging 4.40, suggesting slightly less confidence or readiness in ensuring long-term business success.



Figures. 3. Continuum line on entrepreneurial intention

Source: (*Excel* , 2025)

Based on the data, agricultural entrepreneurs demonstrated strong levels of entrepreneurial intention. Specifically, 43.33% reported establishing a company based on a business idea, while 51.57% stated the need for a clear organizational structure within their enterprise. A significant portion, 63.33%, indicated that they conducted market research as part of their business planning, and 58.33% emphasized the importance of ethical business practices in building their companies. Furthermore, 60.00% of respondents believed that their businesses would be profitable, 55.00% expressed confidence in their ability to grow their enterprises, and 48.33% indicated that they were capable of managing their businesses effectively. Regarding opportunity recognition, the assessment focused on three key dimensions: new product innovation, entrepreneurs gathering, and business organizations. The overall level of opportunity recognition among agricultural entrepreneurs was categorized as very high or unlimited (as shown in Figure 4), with an average score of 4.51. Among these dimensions, *entrepreneurs gathered* received the highest average score of 4.58, indicating strong collaboration and networking among agricultural entrepreneurs. In contrast, *new product innovation* recorded the lowest average score at 4.37, suggesting that while innovation exists, it may be less pronounced compared to collective entrepreneurial activities and organizational support structures.

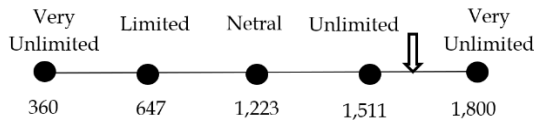


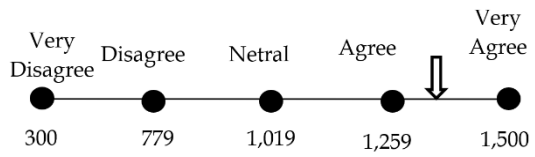
Figure 4. Continuum line on opportunity recognition

Source: (*Excel* , 2025)

Based on the data, agricultural entrepreneurs demonstrated a high level of opportunity recognition, which was categorized as unlimited (as shown in Figure 5). Specifically, 43.33% of respondents reported that they had introduced innovations to existing products. Additionally, 60.00% of entrepreneurs stated that they regularly gather to exchange information, and 71.67% affirmed that they engage in collaborative partnerships with fellow entrepreneurs. Furthermore, 48.33% acknowledged that they participate in networking activities to build professional relationships. In terms of organizational development, 53.33% of respondents had

established companies to provide products, while 51.67% created companies to offer services. Opportunity recognition in this study was measured through three dimensions: new product innovation, entrepreneurs gathering, and business organizations. These dimensions reflect the ability of entrepreneurs to identify market gaps, collaborate with peers, and create structures that support business operations.

The average score for entrepreneurial motivation among agricultural entrepreneurs was 18.59. Within this construct, the highest-rated dimension was *testing ideas* , with a mean score of 4.45, indicating a strong desire to explore and validate innovative business concepts. On the other hand, *make a profit* received the lowest average score of 4.27, suggesting that while financial gain remains important, it may not be the sole motivational factor for these entrepreneurs .



Figures. 5. Continuum line on Entrepreneurial Motivation
Source: (*Excel* , 2025)

Based on the data, agricultural entrepreneurs demonstrated a high level of entrepreneurial motivation, categorized within the "agree" level of perception. Specifically, 48.33% of respondents stated that they contribute positively to society through their business activities. A larger portion, 65.00%, is believed to be essential for agribusiness entrepreneurs to maintain a good public image. In terms of idea implementation, 51.67% of respondents expressed confidence in their ability to put business ideas into action. Additionally, 60.00% reported that they were capable of generating profits from their business ventures, while 48.33% indicated that they could maximize profits from their entrepreneurial activities.

Outer Model Testing

he formulation of hypotheses in a research model can be developed based on the structural relationships among constructs or latent variables by measuring the dimensions or indicators that define each construct. Variations in data values across these dimensions or indicators reflect the variation within the respective latent variables. The strength of the relationship between indicators and their associated constructs is represented by the magnitude of the loading factor for each indicator. According to the output generated by the SmartPLS software, the estimation of the λ (lambda) parameter corresponds to the standardized regression coefficient, commonly referred to as the path coefficient. The identification of path coefficient values enables the assessment of both direct and total structural effects of predictor variables on outcome variables. The estimated coefficient values are used to describe independent variables, while the λ values describe the dependent variables as represented in the outer loading results.

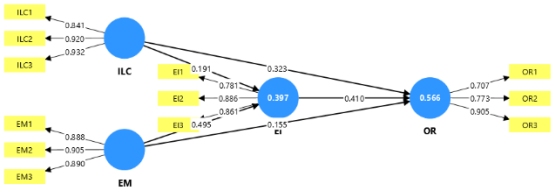


Figure 5. Outer Loadings
Source: (*SmartPLS* , 2025)

The first means showed four construct variables: internal locus of control, entrepreneurial motivation. entrepreneurial intention, and opportunity recognition. The results indicate that all indicators for the constructs of internal locus of control, entrepreneurial intention, entrepreneurial motivation, and opportunity recognition are valid and reliable. The outer loading values for each indicator exceed the minimum threshold (λ > 0.70), confirming that each construct is appropriately measured and can be used for further structural analysis.

Table 2. Outer Loadings

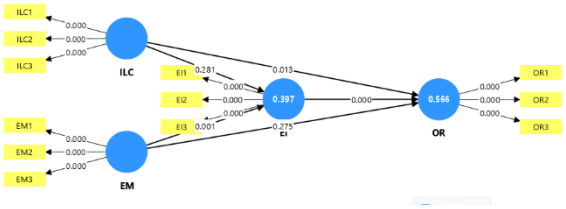
Variable	Indicator	Outer Loading
Internal Locus of Control	ILC1	0.841
	ILC2	0.920
	ILC3	0.932
Entrepreneurial Motivation	EM1	0.888
	EM2	0.905
	EM3	0.890
Opportunity Recognition	OR1	0.707
	OR2	0.773
	OR3	0.905
Entrepreneurial Intention	EI1	0.781
	EI2	0.886
	EI3	0.861

Source: (SmartPLS, 2025)

The results of the outer model testing in this study indicate that the indicators Effort, Luck, and Change the Matter successfully form the construct of Internal Locus of Control. The indicators Start a Business, Create a Company, and Succeed in Business construct the variable Entrepreneurial Intention, while New Product Innovation, Entrepreneurs Gather, and Business Organization form the construct of Opportunity Recognition. In addition, the construct of Entrepreneurial Motivation is developed through the indicators Social Needs, Testing Ideas, and Making a Profit. The estimated values of the λ (lambda) parameters for the indicators of exogenous, endogenous, and mediating variables show coefficients greater than 0.70 and are statistically significant at the 0.05 significance level. These findings confirm that all indicators are valid and reliable measures of their respective latent constructs.

Inner Model Testing

Inner model testing can only be conducted after the outer model has been confirmed to be valid and reliable, as indicated by the loading values and the coefficient of determination (R^2) for each construct. In Partial Least Squares (PLS) analysis, the structural model (inner model) is evaluated using the Goodness of Fit (GoF), which measures the extent to which the model's estimated values differ from the actual observed values. Based on the results presented in Table 3, it is evident that the Opportunity Recognition variable occupies a mediating or intermediate position within the structural model.



Figures. 6. Bootstrapping (P-value)
Source: (*SmartPLS* , 2025)

The square root of the Average Variance Extracted will be used to analyze the discriminant validity of all constructs in the research model. It is known that all AVE values > 0.6, Crobanch Alpha > 0.7 means that the means model is consistent and accurate makes means sure and constructive testing.

Table 3. Structural Model Testing

Variable	AVE	Cronbach Alpha	Rho	R^2
EI	0.712	0.789	0.816	0.397
EM	0.800	0.877	0.896	
ILC	0.807	0.880	0.893	
OR	0.639	0.714	0.744	0.566

Source: (*SmartPLS* , 2025)

Based on the results of the construct validity and reliability testing presented in the table above, all variables in the research model have met the criteria for convergent validity, as indicated by Average Variance Extracted (AVE) values exceeding 0.50. This suggests that the indicators for each construct thoroughly explain their respective latent variables. The results of the construct validity and reliability testing show that all variables Entrepreneurial Intention (EI), Entrepreneurial Motivation (EM), Internal Locus of Control (ILC), and Opportunity Recognition (OR) meet the required standards for convergent validity and internal consistency. This is supported by AVE values exceeding 0.50 and Cronbach's Alpha values all above the 0.70 threshold. The highest reliability is observed in ILC (α = 0.880) and EM (α = 0.877), followed by EI (α = 0.789) and OR (α = 0.714), indicating that all constructs demonstrate strong internal consistency. Additionally, all Rho_A values are above 0.70, further confirming the measurement reliability.

From a structural perspective, the R^2 values indicate moderate explanatory power.

Entrepreneurial Intention (EI) has an R^2 of 0.397, meaning that 39.7% of the variance in EI is explained by the exogenous variables. Meanwhile, Opportunity Recognition (OR) has a higher R^2 of 0.566, indicating that 56.6% of the variance is explained, suggesting a substantial contribution from the predictor variables in the model.

Hypothesis Testing

The hypothesis testing in this study was conducted using the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach. The analysis aimed to determine whether the relationships among the variables in the proposed model were statistically significant. Decisions regarding hypothesis acceptance or rejection were based on the t-statistic and p-value, with the standard criteria being that a relationship is considered significant if the t-statistic exceeds 1.96 and the p-value is less than 0.05.

The analysis results indicated that certain hypotheses were confirmed, as they met the established criteria for statistical significance, while others were rejected due to a lack of significant relationships. These findings suggest that not all constructs in the model exert a direct and substantial influence on other variables. Therefore, further examination is needed to assess the direction of these relationships and to explore the potential mediating effects or other relevant variables that may not have been included in the current model. The following section presents the results of the hypothesis testing:

Table 4. Path Coefficient (Direct Effect)

	Original Sample	T-Stats	P-Values	Information
ILC-> EI	***0.191***	***1,079***	***0.281***	***Not Significant***
EM -> EI	0.495	3,284	0.001	Significant
EI ->OR	0.410	3,759	0,000	Significant
ILC -> OR	0.323	2,479	0.013	Significant
EM -> OR	***0.155***	***1,079***	***0.274***	***Not Significant***

Based on tea results. First, Internal Locus of Control (ILC) was found not to have a statistically significant effect on Entrepreneurial Intention (EI) ($\beta = 0.191$; $t = 1.079$; $p = 0.281$). This result suggests that, although individuals may feel they have control over their outcomes, such internal beliefs do not automatically translate into a strong entrepreneurial intention—particularly in the agricultural sector, where external factors such as climate, land conditions, policy, and resource access can heavily influence success. As a result, individuals with high internal control may still hesitate to pursue entrepreneurship in agriculture due to uncertainty in the environment.

In contrast, Entrepreneurial Motivation (EM) demonstrated a significant and positive direct effect on Entrepreneurial Intention (EI) ($\beta = 0.495$; $t = 3.284$; $p = 0.001$), indicating that personal drives such as the desire for independence, profit, and social impact play a substantial role in shaping one's intention to engage in entrepreneurial activity.

Furthermore, Entrepreneurial Intention (EI) had a strong and statistically significant direct effect on Opportunity Recognition (OR) ($\beta = 0.410$; $t = 3.759$; $p = 0.000$). This supports previous findings that a clear entrepreneurial mindset enhances one's capacity to identify viable business opportunities.

impressively, Internal Locus of Control (ILC) also showed a significant direct effect on Opportunity Recognition (OR) ($\beta = 0.323$; $t = 2.479$; $p = 0.013$). This means that individuals who believe they can influence their environment are more likely to recognize opportunities—despite challenges in agriculture—because they are proactive, adaptive, and solution-oriented.

However, Entrepreneurial Motivation (EM) did not significantly influence Opportunity Recognition (OR) directly ($\beta = 0.155$; $t = 1.079$; $p = 0.274$). This result can be explained by the complexities of agricultural entrepreneurship, which often requires more than motivation to recognize real opportunities. In agriculture, recognizing an opportunity is deeply linked to technical knowledge, market conditions, land availability, climate predictability, and policy support. Therefore, even if someone is highly motivated, they may still fail to recognize viable agricultural business opportunities if they lack

contextual understanding or access to relevant networks. The following section presents the results of the indirect effect testing for hypotheses H6 and H7.

Table 5 . Specific Indirect Effects

	Original Sample	T-Statistic	P-Values	Information
ILC-> EI -> OR	***0.078***	***0.901***	***0.368***	***Not Significant***
EM -> EI -> OR	0.203	2,505	0.012	Significant

Based on the results of the specific indirect effect testing, this study found contrasting outcomes between the two indirect pathways analyzed. The indirect effect from Internal Locus of Control (ILC) to Opportunity Recognition (OR) through Entrepreneurial Intention (EI) was not statistically significant, as shown by a path coefficient of 0.078, a t-statistic of 0.901, and a p-value of 0.368. This indicates that although individuals with a high internal locus of control tend to believe that their actions determine outcomes, this personal belief does not significantly enhance their ability to recognize business opportunities through the formation of entrepreneurial intention alone. In the context of agriculture or agribusiness, opportunity recognition often relies not only on internal confidence but also on access to land, tools, weather predictability, government regulations, and market availability. Therefore, even if an agricultural actor feels in control of their actions, the complex and uncertain external conditions of the agricultural sector may hinder their capacity to translate that confidence into concrete opportunity recognition. This suggests that the mediating role of entrepreneurial intention in this pathway is insufficient in sectors where opportunity identification depends heavily on environmental and institutional factors.

In contrast, the indirect effect from Entrepreneurial Motivation (EM) to Opportunity Recognition (OR) through Entrepreneurial Intention (EI) was statistically significant, with a path coefficient of 0.203, a t-statistic of 2.505, and a p-value of 0.012. This finding implies that individuals who are intrinsically driven—such as by achievement, autonomy, or social impact—are more likely to cultivate a strong entrepreneurial intention. Once this intention is formed, it becomes a key driver in their ability to identify business opportunities, including those that may be less obvious or require innovation and resilience to uncover. In the agricultural sector, motivation plays a critical role in encouraging individuals to overcome external challenges. Motivated individuals are more likely to conduct market research, seek partnerships, explore value-added innovations (such as organic products or agro-processing), and engage in learning networks. Through these proactive steps, entrepreneurial intention—fueled by strong motivation—effectively enhances their opportunity recognition. This confirms that entrepreneurial intention serves as a significant mediating variable in linking motivation with opportunity recognition, particularly in high-risk, low-visibility sectors like agribusiness.

Overall, these results reinforce the importance of entrepreneurial motivation in strengthening intention and ultimately improving the ability to recognize opportunities. Meanwhile, internal locus of control, although important, may require reinforcement through environmental support, resources, and sector-specific enablers to exert a meaningful impact on opportunity recognition in the agricultural domain.

D. Conclusion

Based on the research findings, it can be concluded that Internal Locus of Control and Entrepreneurial Motivation have a significant influence on Entrepreneurial Intention, while Entrepreneurial Intention itself has a significant effect on Opportunity Recognition. However, Internal Locus of Control and Entrepreneurial Motivation do not have a significant direct effect on Opportunity Recognition. This suggests that these two variables alone are not sufficient to directly enhance an individual's ability to identify business opportunities.

Further analysis indicates that Entrepreneurial Intention significantly mediates the relationship between Entrepreneurial Motivation and Opportunity Recognition, but it does not mediate the relationship between Internal Locus of Control and Opportunity Recognition. These results highlight the crucial role of Entrepreneurial Intention as a mediating variable that links internal and motivational factors to the ability to recognize business

opportunities, particularly in the agribusiness sector.Although this study yielded meaningful results, several challenges arose during the data collection process, such as respondents' inaccuracy in completing the questionnaire, potentially resulting in invalid or incomplete data. This could impact the reliability and accuracy of the interpretation of the research results. Furthermore, discrepancies between some results and the researchers' initial expectations and the possibility of changes in the field situation during the data collection period also posed challenges. Therefore, future research is recommended to expand the geographic scope, increase the sample size, and allow sufficient time for data collection. The use of a wider range of statistical analysis techniques and collaboration with interdisciplinary experts are also expected to deepen understanding of the relationships between variables. Furthermore, future researchers need to develop a robust conceptual framework based on a comprehensive literature review to improve the quality of their methodology and results.

This research also makes a significant contribution to the development of entrepreneurship policies, education, and programs, particularly in the agricultural sector. From a policy perspective, the results indicate that internal psychological characteristics such as Internal Locus of Control alone are insufficient to encourage the recognition of business opportunities. Therefore, policymakers need to design support systems that complement individual psychological aspects with structural facilities such as land access, agricultural financing, weather insurance, and market information. This support will help aspiring agricultural entrepreneurs translate their internal potential into the recognition of real business opportunities. In the context of entrepreneurship education, it is crucial for educational institutions to emphasize not only technical skills but also the development of soft skills such as goal setting, self-resilience, and problem-solving abilities. Entrepreneurship curricula need to integrate experiential learning, mentoring, and exposure to real-world challenges in the agricultural sector. For entrepreneurship development programs, especially those targeting rural areas or the agricultural sector, individual motivation must be built sustainably through community support, success stories, and a personalized approach. Training programs that focus solely on skills without building intrinsic motivation risk having no long-term impact. Therefore, incubators, NGOs, and community programs need to create an ecosystem that is both psychologically and practically empowering.

Overall, this study supports a holistic approach to agricultural entrepreneurship development, combining individual psychological readiness, a supportive environment, and strategic education tailored to the local context. This approach is expected to improve the ability to recognize opportunities and encourage the creation of sustainable agricultural businesses.

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