



Influence of Entrepreneurial Self-Efficacy on Entrepreneurial Continuance Intention through Opportunity Recognition and Fear of Failure among Generation Z Student Entrepreneurs

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ABSTRACT

Purpose: This study investigates the influence of Entrepreneurial Self-Efficacy (ESE) on Entrepreneurial Continuance Intention (ECI) among Generation Z student entrepreneurs in Surabaya, with Opportunity Recognition (OR) and Fear of Failure (FOF) serving as mediating variables. **Methodology:** A quantitative research design was employed using a survey method. Data were collected from Generation Z student entrepreneurs aged 17–28 years who actively run businesses in Surabaya. The data were analyzed using SmartPLS to test direct and indirect relationships among variables. **Results:** The findings indicate that Entrepreneurial Self-Efficacy has a positive and significant effect on Entrepreneurial Continuance Intention and Opportunity Recognition, while negatively affecting Fear of Failure. Opportunity Recognition positively influences Entrepreneurial Continuance Intention, whereas Fear of Failure has a negative effect. Both mediating variables partially mediate the relationship between Entrepreneurial Self-Efficacy and Entrepreneurial Continuance Intention. **Findings:** Entrepreneurial Self-Efficacy strengthens opportunity recognition and reduces psychological barriers that hinder entrepreneurial continuity among student entrepreneurs. **Novelty:** This study integrates enabling and inhibiting psychological mechanisms within a single mediation model, providing empirical evidence from Generation Z student entrepreneurs in Surabaya. **Originality:** The study provides empirical evidence focusing on Generation Z student entrepreneurs in Surabaya, a context rarely examined in continuance entrepreneur research. **Conclusion:** Enhancing self-efficacy and opportunity recognition, while managing the fear of failure, is crucial to supporting student entrepreneurial sustainability. **Type of Paper:** Quantitative Research Paper.

INTRODUCTION

Entrepreneurship is vital for boosting economic growth in Indonesia, as a country's competitiveness and long-term development largely rely on its ability to generate employment and promote innovation through entrepreneurial activities (Jaya & Sidharta, 2025). Despite having the largest population in Southeast Asia, Indonesia's economic growth rate in 2024 stayed around 5%,

which is lower than that of several neighboring countries, such as Vietnam (5.8%), Cambodia (6.0%), and the Philippines (6.2%) (GoodStats, 2024).

In line with Indonesia Emas 2045's vision, the role of future generations becomes increasingly important, as they will shape the direction of national development. According to the Ipsos Marketing Summit 2024, Generation Z is expected to become the primary driving force behind Indonesia's future economy in pursuit of the Indonesia Emas 2045 vision, as this group makes up about 28% of the total population (GoodStats, 2024). As the generation that will take on leadership and economic responsibilities in the future, Generation Z must be equipped with the right skills and readiness to contribute effectively to national progress.

As a developing country, Indonesia currently benefits from a demographic bonus, characterized by a large productive-age population that exceeds the availability of formal employment opportunities (Sienatra & Padmalia, 2022). Data from Statistics Indonesia (BPS) indicate that in 2024, open unemployment mostly affected higher-education graduates, with diploma and university graduates together making up 10.08% of the total unemployed population (Badan Pusat Statistik, 2024). This situation shows that higher education attainment does not automatically guarantee employment, highlighting the need for alternative career paths.

Despite Indonesia's large population, the level of entrepreneurship remains relatively low. In 2023, more than 56 million Indonesians were engaged in entrepreneurial activities, representing only about 3.47% of the total population. Among young entrepreneurs aged 20–29, participation is even more limited, with less than 11% of total entrepreneurs (Merdeka.com, 2024). This ratio remains far below the ideal entrepreneurship level of 10–12% required for a country to achieve developed-nation status (Metro TV, 2025).

These conditions highlight the importance of entrepreneurship as a strategic solution to address the imbalance between the growing number of educated graduates and limited job opportunities. Encouraging entrepreneurial activities among university students is therefore essential. In this context, Surabaya represents a compelling research location. As the second-largest metropolitan city in Indonesia after Jakarta, Surabaya serves as the economic hub of Eastern Indonesia. According to BPS data, Surabaya has more than 1,000,000 individuals within the productive-age population (15–59 years), with approximately 466,000 individuals aged 20–29 years, included in the Generation Z category (Badan Pusat Statistik, 2025). This demographic structure positions Surabaya as a city with high potential for the development of young entrepreneurs.

Moreover, Surabaya is widely recognized for its rapidly growing micro, small, and medium enterprise (MSME) ecosystem. In 2024, there were more than 150,000 MSMEs recorded across 31 districts in the city. The local government actively promotes entrepreneurship through various initiatives, including the Surabaya Startup Festival and MSME digitalization training programs (iNews Surabaya, 2025). Despite this supportive ecosystem, sustaining entrepreneurial activities remains a challenge, particularly for student entrepreneurs who must balance academic responsibilities with business operations.

Previous studies have identified entrepreneurial self-efficacy as a key psychological factor influencing entrepreneurial behavior and persistence (Chuang et al., (2022); Al-Qadasi et al. (2023); Zhang et al., (2022); Otache et al., (2024)). Opportunity recognition facilitates business sustainability by enabling entrepreneurs to identify and make use of potential opportunities, whereas fear of failure may hinder entrepreneurial continuity by increasing psychological pressure. However, empirical studies that simultaneously examine opportunity recognition and fear of failure as mediating mechanisms between entrepreneurial self-efficacy and entrepreneurial continuance intention remain limited, especially within the context of Generation Z student entrepreneurs.

Therefore, this study aims to examine the influence of entrepreneurial self-efficacy on entrepreneurial continuance intention through opportunity recognition and fear of failure among Generation Z student entrepreneurs in Surabaya. Specifically, this study seeks to: (1) analyse the direct effect of entrepreneurial self-efficacy on entrepreneurial continuance intention; (2) examine the influence of entrepreneurial self-efficacy on opportunity recognition and fear of failure; (3)

investigate the effects of opportunity recognition and fear of failure on entrepreneurial continuance intention; and (4) test the mediating roles of opportunity recognition and fear of failure in the relationship between entrepreneurial self-efficacy and entrepreneurial continuance intention. This research is expected to contribute theoretically by enriching the entrepreneurship literature on continuance intention and practically by providing insights for policymakers and educational institutions in supporting sustainable student entrepreneurship.

METHOD

Analysis Method

This study employed a quantitative approach with a causal research design to examine cause and effect relationships among variables. Quantitative research verifies theoretical assumptions using numerical data that are subsequently tested through statistical procedures (Hardani et al., 2020). The causal design was selected to analyze how entrepreneurial self-efficacy influences entrepreneurial continuance intention, with opportunity recognition and fear of failure acting as mediating variables.

The research was conducted in Surabaya, Indonesia, a major metropolitan city and economic hub in East Java with an active entrepreneurial ecosystem and a large population of Generation Z students. Data collection was carried out from October to November 2025, covering instrument development, online questionnaire distribution, data processing, and analysis. The population consisted of Generation Z university students aged 17–28 years who were actively running a business in Surabaya. A purposive sampling technique was applied to ensure that respondents met specific criteria, namely being active students at higher education institutions in Surabaya and currently operating a business independently or in collaboration with others. Based on the rule of thumb proposed by Hair et al. (2021), which recommends a minimum sample size of ten respondents per questionnaire item, a minimum of 220 respondents was required for this study, corresponding to 22 measurement items.

Primary data were collected through a structured questionnaire distributed online using Google Forms, while secondary data were obtained from official publications such as Statistics Indonesia (BPS), the National Labor Force Survey (Sakernas), Global Entrepreneurship Monitor (GEM) reports, and relevant academic literature. Before answering the main questions, respondents were screened to ensure they met the established criteria. All items were measured using closed-ended questions and assessed on a five-point Likert scale ranging from strongly disagree to strongly agree.

Indicators were adapted from Sousa-Filho et al. (2023), Saoula et al. (2022), Hassan et al. (2020), Ukil & Jenkins (2023). Entrepreneurial self-efficacy was measured through indicators reflecting confidence in entrepreneurial abilities, decision-making, and problem-solving. Opportunity recognition was measured by indicators capturing the ability to identify, evaluate, and exploit business opportunities. Fear of failure was measured using indicators related to anxiety, risk perception, and concern over potential business failure. Entrepreneurial continuance intention was measured through indicators reflecting the intention to sustain, develop, and continue existing business activities.

Data analysis was conducted using Partial Least Squares–Structural Equation Modeling (PLS-SEM) with SmartPLS software. The analysis involved the evaluation of the measurement model and the structural model. The measurement model was assessed through convergent validity using average variance extracted (AVE), discriminant validity using cross-loadings, and reliability using Cronbach's alpha and composite reliability. The structural model was evaluated by examining the coefficient of determination (R^2), predictive relevance (Q^2) using the Stone–Geisser test, and path coefficients. Hypotheses were considered statistically significant when the t-statistic value was equal to or greater than 1.96 or when the p-value was less than or equal to 0.05 at a 5% significance level (Hair et al., 2021).

Limitations

This study has several limitations that should be acknowledged. First, the use of purposive sampling may limit the generalisability of the findings, as the respondents were selected based on specific criteria and may not represent the broader population of student entrepreneurs. Second, the data were collected exclusively from Generation Z student entrepreneurs in Surabaya, which restricts the applicability of the results to other regions with different socio-economic and entrepreneurial contexts.

RESULTS AND DISCUSSION

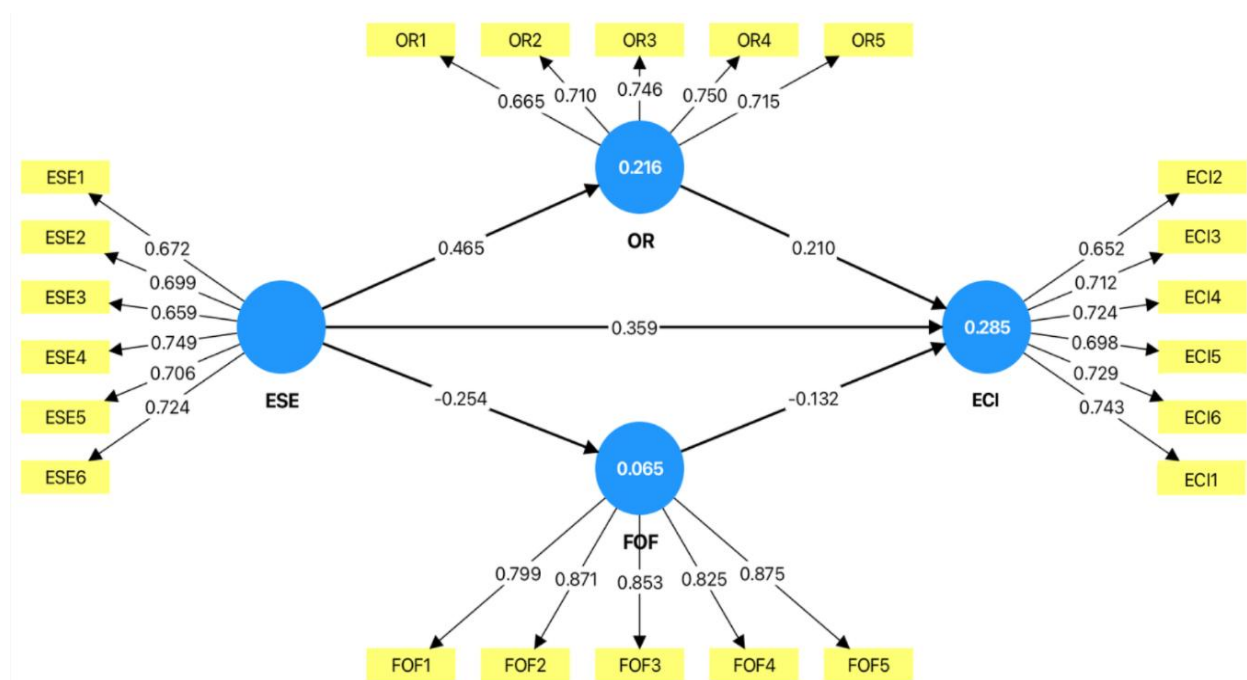
RESULTS

Data were collected through an online questionnaire distributed via Google Forms from October 15 to November 3, 2025, to 246 respondents. Of the collected responses, 232 questionnaires were deemed valid and eligible for further analysis, while 14 responses were excluded due to not meeting the screening criteria.

Outer Model Test

The outer model evaluation was conducted through two main stages, namely validity testing and reliability testing. Validity testing includes convergent validity and discriminant validity testing, while reliability testing aims to evaluate the internal consistency of the indicators for each research variable. The processed research model using SmartPLS, along with the outer loading values of each indicator, is presented in the following figure:

Figure 1. Outer Model (before indicator reduction)



Convergent Validity

The convergent validity results show that entrepreneurial continuance intention, fear of failure, and opportunity recognition meet the required criteria, as their AVE values are above 0.5. However, entrepreneurial self-efficacy does not initially meet the convergent validity requirement, with an AVE value slightly below the recommended value at 0.493. To improve the convergent validity of this construct, the indicator with the lowest outer loading (ESE3) was removed.

Table 1. AVE (Average Variance Extracted) Value Before Indicator Reduction

Variable	Average Variance Extracted	Category
Entrepreneurial Continuance Intention	0.504	Valid
Entrepreneurial Self-Efficacy	0.493	Not Valid
Fear Of Failure	0.714	Valid
Opportunity Recognition	0.515	Valid

Source: Processed Data, 2025

Based on Figure 2 below, after removing indicator ESE3, the outer loadings of the remaining indicators increased, indicating that the elimination of weak indicators contributed to an improvement in the Average Variance Extracted (AVE) of the construct. Based on Table 3, all variables show AVE values above 0.5. Therefore, each construct meets the criteria of convergent validity and is considered valid for use in subsequent stages of analysis.

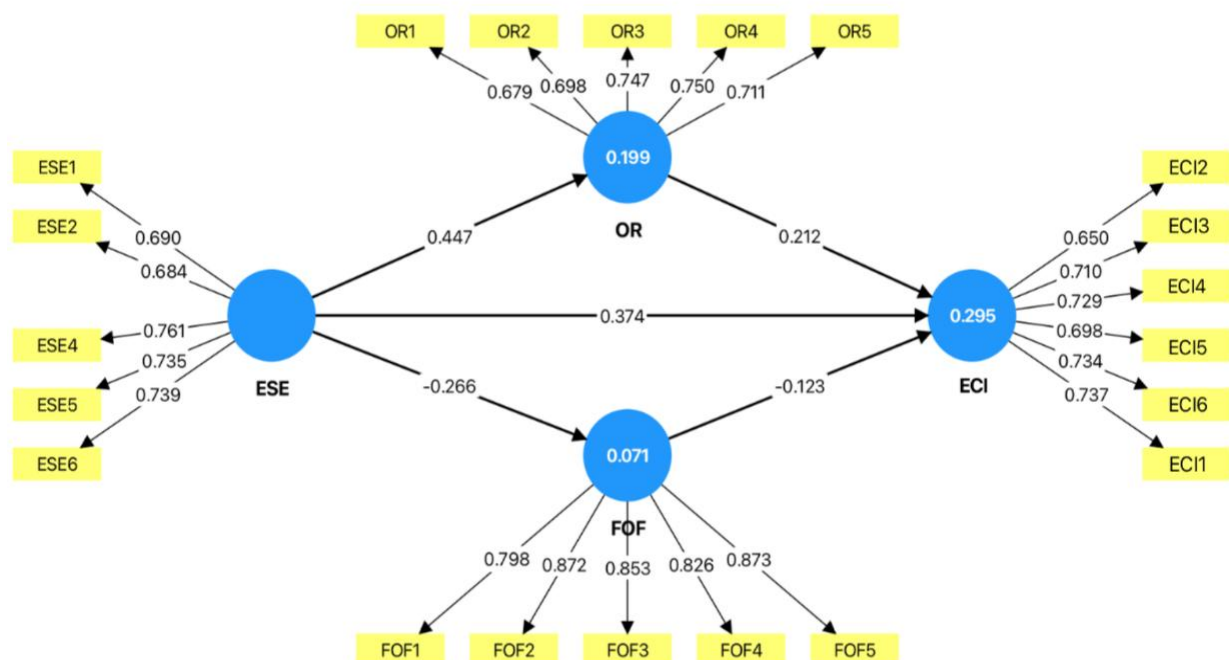
Figure 2. Outer Model (after indicator reduction)

Table 2. Outer Loadings Value After Indicator Reduction

Variable	Indicator	Outer Loadings	Category
Entrepreneurial Continuance Intention	ECI1	0.737	Valid
	ECI2	0.650	Valid
	ECI3	0.710	Valid
	ECI4	0.729	Valid
	ECI5	0.698	Valid
	ECI6	0.734	Valid
Entrepreneurial Self-Efficacy	ESE1	0.690	Valid
	ESE2	0.684	Valid
	ESE4	0.761	Valid
	ESE5	0.735	Valid
	ESE6	0.739	Valid
Fear Of Failure	FOF1	0.798	Valid
	FOF2	0.872	Valid
	FOF3	0.853	Valid
	FOF4	0.826	Valid
	FOF5	0.873	Valid
Opportunity Recognition	OR1	0.679	Valid
	OR2	0.698	Valid
	OR3	0.747	Valid
	OR4	0.750	Valid
	OR5	0.711	Valid

Source: Processed Data, 2025

Table 3. AVE (Average Variance Extracted) Value After Indicator Reduction

Variable	Average Variance Extracted	Category
Entrepreneurial Continuance Intention	0.504	Valid
Entrepreneurial Self-Efficacy	0.522	Valid
Fear Of Failure	0.714	Valid
Opportunity Recognition	0.515	Valid

Source: Processed Data, 2025

Based on Table 3 above, all variables' Average Variance Extracted (AVE) values are above 0.5. Therefore, each construct meets the convergent validity criteria and is considered valid for use in further analysis.

Discriminant Validity

Table 4. Cross Loadings Value

Indicator	ECI	ESE	OR	FOF
ECI1	0.737	0.434	-0.156	0.333
ECI2	0.650	0.388	-0.230	0.199
ECI3	0.710	0.269	-0.159	0.256
ECI4	0.729	0.370	-0.197	0.267
ECI5	0.698	0.207	-0.093	0.199
ECI6	0.734	0.383	-0.097	0.324
ESE1	0.356	0.690	-0.156	0.327
ESE2	0.403	0.684	-0.233	0.352
ESE4	0.358	0.761	-0.233	0.345
ESE5	0.344	0.735	-0.187	0.267
ESE6	0.338	0.739	-0.138	0.308
FOF1	-0.164	-0.160	0.798	0.004
FOF2	-0.173	-0.265	0.872	0.028
FOF3	-0.220	-0.232	0.853	-0.037
FOF4	-0.196	-0.222	0.826	-0.010
FOF5	-0.189	-0.231	0.873	-0.012
OR1	0.292	0.310	-0.033	0.679
OR2	0.233	0.333	-0.011	0.698
OR3	0.226	0.279	0.028	0.747
OR4	0.341	0.377	-0.008	0.750
OR5	0.244	0.282	0.006	0.711

Source: Processed Data, 2025

Table 4 shows that each indicator has the highest cross loadings on its respective construct. Therefore, it can be concluded that all variables meet the discriminant validity criteria.

Reliability Testing

Table 5. Cronbach's Alpha and Composite Reliability Values

Variable	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Category
Entrepreneurial Continuance Intention	0.806	0.810	0.859	Reliable
Entrepreneurial Self-Efficacy	0.771	0.771	0.845	Reliable
Fear Of Failure	0.900	0.907	0.926	Reliable
Opportunity Recognition	0.766	0.770	0.841	Reliable

Source: Processed Data, 2025

Based on the reliability testing results presented in the table above, all variables show Cronbach's alpha and composite reliability values (both rho_a and rho_c) above 0.7. This indicates that each construct meets the criteria for good internal consistency reliability (Hair et al., 2021). Therefore, entrepreneurial continuance intention, entrepreneurial self-efficacy, fear of failure, and opportunity recognition are considered reliable and suitable for further analysis.

Inner Model Test

This evaluation aims to examine the strength and significance of the relationships among latent constructs, as well as to assess the model's explanatory power for the dependent variable through the R-square value, Q-square value, and path coefficient significance testing. The structural model of this study is illustrated in the figure below.

Figure 3. Inner Model

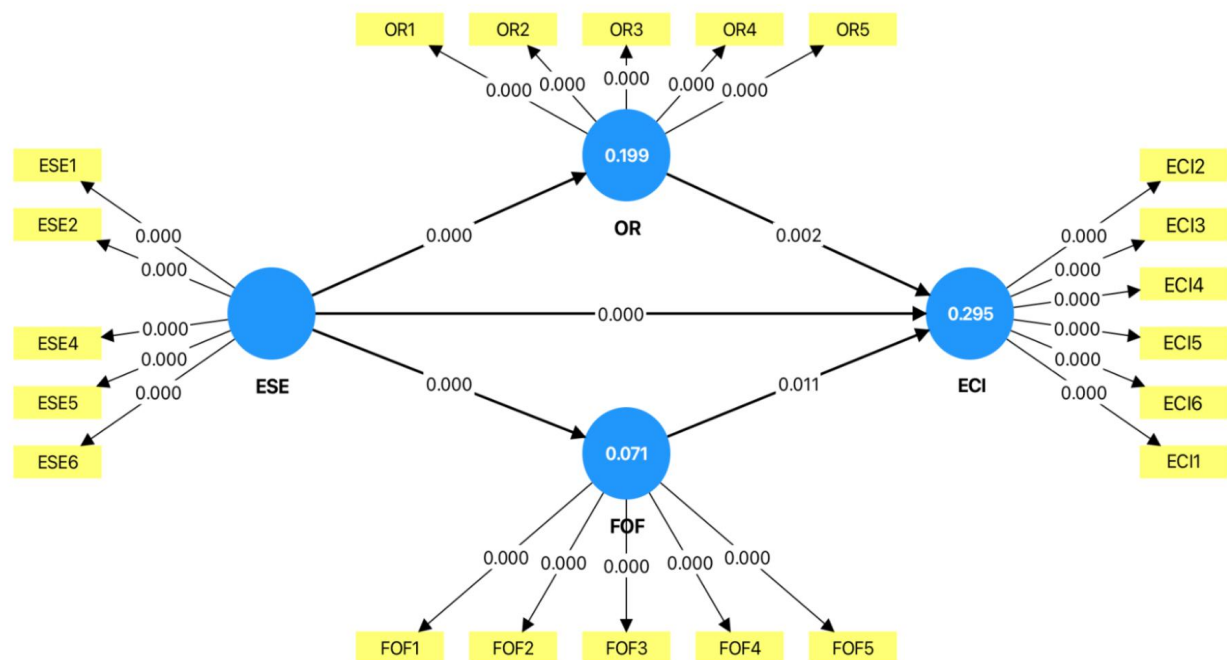


Table 6. R² Value

Variable	Coefficient Determination
Entrepreneurial Continuance Intention	0.295
Fear Of Failure	0.071
Opportunity Recognition	0.199

Source: Processed Data, 2025

Based on Table 5.16, the R-square (R^2) values indicate the extent to which the independent variables explain the variance of the dependent variables in the structural model. The results show that entrepreneurial continuance intention has an R^2 value of 0.295, meaning that 29.5% of the variance in entrepreneurial continuance intention is explained by the influencing constructs. Fear of failure has an R^2 value of 0.071, indicating that 7.1% of its variance is explained by other constructs in the model. Meanwhile, opportunity recognition has an R^2 value of 0.199, suggesting that 19.9% of the variance in this construct is explained by its independent variables.

Predictive Relevance (Q^2)

The predictive relevance (Q^2) value is used to judge the extent to which the research model has the ability to predict the observed data. A Q^2 value greater than 0 indicates that the model possesses good predictive relevance.

$$Q^2 = 1 - (1 - R1^2)(1 - R2^2)(1 - R3^2)$$

$$Q^2 = 1 - (1 - 0.295)(1 - 0.071)(1 - 0.199)$$

$$Q^2 = 1 - (0.705)(0.929)(0.801)$$

$$Q^2 = 1 - 0.524 = \mathbf{0.476}$$

Based on the calculation results, the Q^2 value obtained is 0.476. This value indicates that the research model has strong predictive relevance, meaning that the model is capable of adequately explaining and predicting the dependent variables. These results further confirm that the relationships among constructs in the model are well specified and reliable for subsequent analysis.

Path Coefficient

Table 7. Path Coefficient

Hypothesis	Path Coefficient	T-Statistics	P-Values	Category
Entrepreneurial Self-Efficacy -> Entrepreneurial Continuance Intention	0.374	6.207	0.000	Accepted
Entrepreneurial Self-Efficacy -> Opportunity Recognition	0.447	7.002	0.000	Accepted
Entrepreneurial Self-Efficacy -> Fear of Failure	-0.266	4.426	0.000	Accepted
Opportunity Recognition -> Entrepreneurial Continuance Intention	0.212	3.032	0.002	Accepted
Fear of Failure -> Entrepreneurial Continuance Intention	-0.123	2.548	0.011	Accepted
Entrepreneurial Self-Efficacy -> Opportunity Recognition -> Entrepreneurial Continuance Intention	0.095	2.595	0.009	Accepted
Entrepreneurial Self-Efficacy -> Fear of Failure -> Entrepreneurial Continuance Intention	0.033	2.208	0.027	Accepted

Source: Processed Data, 2025

The results indicate that all of the hypothesis are accepted. In conclusion, entrepreneurial self-efficacy has a positive and significant effect on entrepreneurial continuance intention, opportunity recognition, and a negative effect on fear of failure. Opportunity recognition positively influences entrepreneurial continuance intention, whereas fear of failure negatively affects entrepreneurial continuance intention. Furthermore, entrepreneurial self-efficacy indirectly enhances entrepreneurial continuance intention through opportunity recognition and fear of failure

as mediating variables. These findings demonstrate that higher confidence in entrepreneurial abilities strengthens student entrepreneurs' commitment to sustaining their ventures by improving opportunity recognition and reducing fear of failure.

DISCUSSION

Influence of Entrepreneurial Self-Efficacy on Entrepreneurial Continuance Intention

The positive and significant influence of entrepreneurial self-efficacy on entrepreneurial continuance intention confirms that confidence in entrepreneurial capabilities is a key determinant of business sustainability among Generation Z student entrepreneurs. This finding aligns with Saoula et al. (2022), Ahmed et al. (2020), Wang et al. (2023), and Otache et al. (2024), who emphasize that self-efficacious individuals demonstrate stronger persistence and strategic commitment.

Entrepreneurial self-efficacy has a close relationship with self-confidence, willpower, and perseverance when facing and overcoming anxiety that arises when becoming an entrepreneur (Wu et al., 2022). From the perspective of Self-Determination Theory (SDT), entrepreneurial self-efficacy reflects the fulfillment of the competence need, which strengthens intrinsic motivation and encourages sustained engagement in entrepreneurial activities. In the context of economic development, this result highlights that strengthening individual entrepreneurial self-efficacy is not only important for venture creation but also for ensuring long-term business continuity that contributes to reducing unemployment and promoting economic resilience.

Influence of Entrepreneurial Self-Efficacy on Opportunity Recognition

The findings indicate that entrepreneurial self-efficacy positively influences opportunity recognition, suggesting that confident individuals are more proactive in identifying market gaps and evaluating business potential. This result supports previous studies by Hassan et al. (2020), Goktan & Gupta (2021), and Nafukho & Mansour (2023). According to SDT, this relationship is driven by the fulfillment of competence and autonomy, which encourages individuals to explore their environment and act independently on perceived opportunities. From an economic development perspective, enhanced opportunity recognition among student entrepreneurs increases the likelihood of innovation and market responsiveness, which are essential drivers of sustainable economic growth.

Influence of Entrepreneurial Self-Efficacy on Fear of Failure

This study finds that entrepreneurial self-efficacy negatively influences fear of failure, indicating that higher self-efficacy can reduce anxiety related to business risks. This result is consistent with Ukil & Jenkins (2022) and Chuang et al. (2022), who argue that self-efficacy enhances resilience and reframes failure as a learning process. From an SDT standpoint, the fulfillment of competence and relatedness reduces fear-driven avoidance behavior. Empirically, this finding emphasizes that managing psychological barriers such as fear of failure is crucial for sustaining entrepreneurial activity, particularly among young entrepreneurs facing high uncertainty in dynamic markets.

Influence of Opportunity Recognition on Entrepreneurial Continuance Intention

The positive effect of opportunity recognition on entrepreneurial continuance intention suggests that the ability to identify viable business opportunities strengthens entrepreneurs' confidence in sustaining their ventures. Entrepreneurial continuance intention refers to the extent to which an individual maintains a sustained desire and commitment to continue engaging in entrepreneurial activities (Yousaf et al., 2020).

This finding aligns with Hassan et al. (2020), Hou et al. (2022), and Lim et al. (2021), who emphasize opportunity recognition as a driver of long-term entrepreneurial commitment. Within the SDT framework, recognizing opportunities enhances autonomy and competence, reinforcing intrinsic motivation. From an economic development perspective, entrepreneurs who continuously

identify opportunities are more likely to adapt, innovate, and sustain businesses, thereby contributing to regional economic vitality.

Influence of Fear of Failure on Entrepreneurial Continuance Intention

Kong et al. (2020) define entrepreneurial continuance intention as a psychological state that directs individuals to remain focused on specific business goals in order to achieve desired outcomes. However, the results show that fear of failure negatively influences entrepreneurial continuance intention, confirming that excessive fear weakens motivation, innovation, and risk-taking behavior.

This finding supports Ukil & Jenkins (2022) as well as Mutmainnah & Hamid (2024), who identify fear of failure as a major psychological barrier to entrepreneurial persistence. In SDT terms, fear of failure weakens the fulfillment of competence and relatedness needs, shifting focus from growth opportunities to potential losses. This has important economic implications, as unaddressed fear of failure may limit entrepreneurial sustainability and reduce the long-term contribution of small businesses to economic development.

Influence of Entrepreneurial Self-Efficacy on Entrepreneurial Continuance Intention through Opportunity Recognition

The mediating role of opportunity recognition confirms that entrepreneurial self-efficacy strengthens entrepreneurial continuance intention by enhancing individuals' ability to identify and exploit business opportunities. This finding is consistent with Hassan et al. (2020), Vörös et al. (2024), Otache et al. (2024), who highlight opportunity recognition as a critical mechanism linking psychological confidence to entrepreneurial outcomes. From an SDT perspective, fulfilled competence encourages idea exploration, leading to improved opportunity recognition and stronger commitment to business continuity. This mechanism provides new insight into how entrepreneurial self-efficacy translates into sustainable economic activities.

Influence of Entrepreneurial Self-Efficacy on Entrepreneurial Continuance Intention through Fear of Failure

The findings demonstrate that fear of failure mediates the relationship between entrepreneurial self-efficacy and entrepreneurial continuance intention. Higher self-efficacy reduces fear of failure, enabling entrepreneurs to manage risk and uncertainty more effectively. This result aligns with Hunter et al. (2020) and Ukil & Jenkins (2022), who argue that self-efficacy mitigates the negative psychological effects of fear. From an SDT perspective, the fulfillment of competence and autonomy reduces fear-driven withdrawal and strengthens intrinsic motivation. This mediation highlights the importance of psychological resilience in sustaining entrepreneurial activity, offering valuable implications for entrepreneurship education and policy aimed at long-term economic development.

CONCLUSION

This study provides empirical evidence that entrepreneurial self-efficacy plays a vital role in shaping entrepreneurial continuance intention among Generation Z student entrepreneurs in Surabaya. The results show that entrepreneurial self-efficacy positively influences entrepreneurial continuance intention and opportunity recognition, while negatively affecting fear of failure. In addition, opportunity recognition strengthens entrepreneurial continuance intention, whereas fear of failure weakens it. The findings further confirm that entrepreneurial self-efficacy influences entrepreneurial continuance intention indirectly through opportunity recognition and fear of failure as mediating variables. Overall, these results indicate that psychological resources are central to sustaining entrepreneurial activity among student entrepreneurs.

From a theoretical perspective, this study contributes to the entrepreneurship and economic development literature by extending Self-Determination Theory (SDT) into the context of entrepreneurial continuity rather than entrepreneurial intention to start the business. The findings highlight that the fulfillment of psychological needs, particularly competence and autonomy, operates through cognitive (opportunity recognition) and emotional (fear of failure) mechanisms to sustain entrepreneurial intention. By integrating opportunity recognition and fear of failure into a single mediation framework, this research offers a more comprehensive explanation of how entrepreneurial self-efficacy translates into a long-term entrepreneurial commitment.

From a practical standpoint, the findings suggest that strengthening entrepreneurial self-efficacy is essential for sustaining students' ventures and supporting economic development. For student entrepreneurs, developing confidence through experiential learning, business practice, and continuous reflection can enhance opportunity recognition and reduce fear of failure. Higher education institutions play a crucial role in this process by creating supportive entrepreneurial ecosystems through training programs, mentoring, incubation, and practice-oriented curriculum that integrate real business challenges. Such initiatives can help transform their entrepreneurship into a sustainable driver of job creation, innovation, and regional economic resilience.

This study also opens several opportunities for future research. Further studies are encouraged to expand the research scope beyond Surabaya and add other variables such as entrepreneurial passion, perceived social support, or innovation capability, etc to deepen the understanding of entrepreneurial continuance intention. Qualitative or mixed-method approaches can also be applied to provide richer insights into how student entrepreneurs develop self-efficacy, recognize opportunities, and cope with fear of failure over time. These directions would further advance theoretical development and practical strategies for sustainable entrepreneurship and economic growth.

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