

Generation Z: Entrepreneurs and Expectations in the Workplace (Case Studies in Some Provinces in Indonesia)

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Abstract. This research was conducted because of the curiosity of the researcher about the character, attitudes, and perceptions of Generation Z Indonesia regarding Entrepreneurship and the workplace so that universities are ready to equip them with hard skills and soft skills. Also, the workplace is ready to change and adapt its management system. This research will explore how big the intention of Generation Z is to become Entrepreneurs through the Theory of Planned Behaviour. The primary data were 208 respondents, obtained through questionnaires from students and graduates belonging to Generation Z (born 1995–2005) at various universities in several provinces in Indonesia. Descriptive data analysis refers to the Theory of Planned Behaviour while quantitative analysis uses the Partial Least Square SEM method. The results showed that Personal Attitude and Perceived Behaviour Control had a significant positive effect on Entrepreneurial Intention. While the Subjective Norm has no effect on the Entrepreneurial intention.

Keywords: Personal Attitude · Entrepreneurial Intention · Perceived Behaviour Control

1 Introduction

Human development is the main focus of the world of education. Each generation has different characteristics so education should adapt it. Currently, there are four Generations that fall into the Labor Force category, namely Baby Boomers, Generation X, Generation Y, and Generation Z, each of which has different characteristics, perceptions, and attitudes toward work. Among the four generations, it is Generation Z, some of which are still in education (aged 12–22 years), and some are beginners in the workplace (23–26 years). Generation Z is also considered to have more entrepreneurial skills than the previous generation [2, 3] Developed countries and high per capita income are correlated with a high order of the entrepreneur index. Based on data from The Global Entrepreneurship Index, Indonesia is ranked 75th (The Global Entrepreneurship and Development Institute) [4]. Referring to the Ministry of Industry (2019), Indonesia needs at least 4 million new entrepreneurs to help strengthen the economic structure. Because, currently the ratio of entrepreneurs in the country is only around 3.1 percent

of the total population (Singapore: 7 percent, Malaysia: 5 percent). Based on data from the Central Statistics Agency in August 2021, the total population aged 15–29 years (of whom are Generation Z) is 45.9 million. This represents 66.77% of the labor force of the working-age population in Indonesia. Huge potential for nation-building. The purpose of this study is to find out how much Generation Z in Indonesia has an interest in becoming an entrepreneur. Perceptions and expectations of the workplace have been found by previous researchers in other countries. It is hoped that the research results will be useful for the world of education and the business/workplace. For the world of education, providing input in the preparation of curricula in schools and universities so that it becomes more appropriate to develop the capabilities and skills of Generation Z, while for the business/workplace, research results will provide information on how management should manage, motivate and even retain Generation Z employees who have competencies, characters, attitudes and perceptions about work that are different from previous generations so that the organization will.

2 Review of the Literature and Hypothesis

2.1 Generation Z

According to previous experts [2, 3], there are significant character differences between Generation Z and the previous generation. Generation Z is considered to have stronger entrepreneurial character and skills than its previous generation. Generation Z in their careers prefers to do several jobs simultaneously [5] which means working for several companies simultaneously, as a freelancer, working at home or in an office with a flexible schedule, prefers to wear comfortable work clothes, not formal, the motivator is personal life not disturbed, how to retain Generation Z employees with harmonious personal relationships [6].

2.2 Entrepreneur

An entrepreneur is someone who has a vision to innovate, through technology and sells his work to the public/customers. The term entrepreneur is very different in meaning from businessman. An entrepreneur is someone who is able to create a new business, is willing to take risks, and in return benefits from it. Entrepreneurs do not have to be able to invent something new, but rather someone who can solve business-related problems. Regarding the determination of the Entrepreneurship Index of each country in the world, The Global Entrepreneurship Index (GEI) [4, 6] Indonesia is placed at number 75 (USA number 1, Japan 26, Singapore 27, Malaysia 43, Philippines 86). GEI stated that there are 3A components to be assessed in awarding a country's Entrepreneurship Ranking Index, which includes entrepreneurial attitudes, entrepreneurial abilities, and entrepreneurial aspirations.

2.3 Entrepreneurial Intention

Entrepreneurial Intention is a person's strong intention to become an entrepreneur, which is manifested in positive subjective attitudes and beliefs [7]. The stronger the intention

of a person to behave in a certain way, it is expected that he will be successful in doing it. However, the element of time also plays a role. The longer the distance between the intention and the behavior, the greater the tendency for a change in intention to occur. [1] states that intentions contain cognitive processes that will influence beliefs, perceptions, and other exogenous factors to become actions. Intention can be measured through the Theory of Planned Behaviour (TPB) [1] Kolvereid, [8] applying Ajzen's TPB to planned behavior to predict the intention of choosing a status (job). The Theory of Planned Behaviour (TPB) is based on the assumption that humans are rational beings so before making a decision, they will seek as much information as possible, as accurately as possible, to minimize the consequences of their actions. Through the TPB theory, it is possible to analyze a person's attitude, subjective norms, and Perceived Behavioural control that is felt by someone who has the intention of something.

2.4 Personal Attitude, Subjective Norms, and Perceived Behavior Control

Personal attitude measures the way a person perceives an object as positive or negative, as well as beneficial or detrimental. Subjective norms are accepted norms that are believed to be about something, by seeking information from the closest trusted environment: family, friends, and relatives, evaluating alternatives, choosing one alternative, then doing something. Perceived Behavior Control is a person's ability as an entrepreneur, able to start a business and continue to run it [8]. Kolvereid's research [8] found that the intention of the people of a country to choose between working independently as an entrepreneur or working for others (as employees) is also influenced by the facilities offered by employers to their employees. If the facilities provided by the employer are good, people will prefer to work for other people. Lee's research [10] on IT professionals, Generation Z in Singapore, found that many Generation Z resigns from the company, then work independently, because the company's work environment is unsatisfactory, and because they have high self-efficacy and strong entrepreneurial intentions. Eyel's research [7] found that Attitude and Perceived Behaviour Control had a positive effect on Entrepreneurial Intentions. Another study [11] found that entrepreneurial education was able to improve students' entrepreneurial attitudes and skills. Fragoso [12] conducted a study on Brazilian and Portuguese students, the results showed that attitudes, entrepreneurial training, and self-efficacy had a positive effect on entrepreneurial intentions, while country differences had no significant effect. The stronger a person's intention to display a certain behavior, it is hoped that the more successful he will be in doing it, as well as the interest (intention) to become an entrepreneur. So this study proposed the following hypothesis:

- H1: Personal Attitude has an effect on Entrepreneurial Intention Generation Z
- H2: Subjective Norms have an effect on Entrepreneurial Intention Generation. Z
- H3: Perceived Behavior Control has an effect on Entrepreneurial Intention Generation Z
- H4: Subjective Norms affect the Personal Attitude of Generation Z
- H5: Subjective Norms affect the Perceived Behavior Control of Generation Z

intention to display a certain behavior, it is hoped that the more successful he will be in doing it, as well as the interest (intention) to become an entrepreneur. On the other hand, Research was conducted by Iorgulescu [13] in Bucharest on Generation Z's Perception of Employment: 80% of respondents want to work in a developing company, 60% work for a high salary, and 40% work safely. Other researchers: Generation Z prioritizes a harmonious interpersonal working atmosphere [14], gets mentoring from managers, prioritizes soft skills, is able to create a good public image, respects time, is productive, and is innovative. The majority of Generation Z have high self-efficacy. They are optimistic about the future of their professionalism [15]. The results of a survey [3] stated that 80% of generation Z respondents were ready to work hard for their profession. 20% of respondents stated that after 5 years of graduation they wanted to become entrepreneurs, 24% worked to pursue a higher career [16] 32% as employees.

3 Methods

The research subjects are students and graduates who were born between 1995–2005 and spread across various provinces in Indonesia. A total of 210 samples were taken with the accidental sampling technique. Most of them came from the Special Region of Yogyakarta Province. Data was collected using a questionnaire distributed through Google Forms. The questionnaire, with a Likert scale of 1-7 referring to Linen and Chen [19]. The variables of this research consist of variables X1: Personal Attitude, X2: Subjective Norms, X3: Perceived Behavioural Control Y: Entrepreneurial Intention. The Personal Attitude questionnaire consists of 8 questions, Subjective Norms 3 questions, Perceived Behaviour Control consists of 6 questions, and Entrepreneurial Intentions 5 questions. Personal Attitude shows the level/degree of someone assessing or appreciating positively or negatively to be an entrepreneur [1, 8]. Subjective norms measure social pressure when a person chooses to become or not become an entrepreneur: close family, friends, and coworkers [1]. Perceived Behavioural Control measures the ability of an entrepreneur. Entrepreneurial Intention measures the readiness to do anything to become an entrepreneur and a strong interest in becoming an entrepreneur. The analytical tool used in this research is the validity and reliability test of the questionnaire. While the data analysis method uses the Partial Least Square Structural Equation Model (PLS-SEM).

4 Results

Respondent Identification. The number of respondents who responded to the questionnaire was 210 people, but 2 people did not meet the requirements, because they were over the age limit as Generation Z, so there were only 208 people left. Based on the results of the identification of respondents, more than 51% of respondents were male, and aged between 20–24 years. Most of them came from the Special Region of Yogyakarta, with educational backgrounds from the Faculty of Economics and Business. More than 45% have studied in semester 7 or have graduated.

The Results of the descriptive test of the questionnaire. Reasons for respondents to become entrepreneurs in the future: around 80% get more income, have challenging jobs,

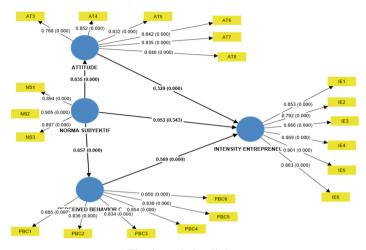


Fig. 1. Path Coefficient

free to act and make decisions. The results of respondents' perceptions of Entrepreneurial intention: 90% because they are free to be creative, 83% of respondents want to be able to realize it immediately, if there is an opportunity and capital, 83% have a strong intention to become an entrepreneur, 80% can control their own business, 68% are aware of the difficulty level of starting a business. On the other hand, 75% of respondents also agree that working as an employee is more secure, and stable, and has wider career opportunities.

Part Least Square Test Results – Structural Equation Model (PLS-SEM). Based on the results of the PLS-SEM test, it is true that the three Latent Variables X, namely X1: Personal Attitude, X2: Subjective Norm, and X3: Perceived Behaviour Control has an effect on the Loading factor: Entrepreneurship Intention. The value of loading factor AT1 = 0.579 and AT2 = 0.594 < 0.6, so then the latent indicator is removed.

Validity Test Results: Convergent and Discriminant. Convergent Validity measures whether the statement of each indicator of the Latent variable is perceived the same by the respondents. Convergent Validity Value is measured by loading Factor > 0.6. It is seen in Fig. 1. Path Coefficient, then all indicators are valid as a measure of Latent variables that meet Convergent Validity because they have a loading factor > 0.6 [22].

While Discriminant Validity measures whether the statements in the questionnaire results are not confusing because respondents are stereotyped in answering the questionnaire. The results are shown in Table 1. All variables have good Discriminant Validity because the Average Variance Extracted/AVE > 0.5.

Reliability Test Results. Reliability test measures whether the results of all statements or questions are consistent over time. The reliability measurement tools are Cronbach Alpha and Composite reliability. Table 2 shows the level of reliability of all variables in very good condition. The Latent Variable indicator is said to be very good if the Cronbach alpha value is >0.8 and Composite Reliability > 0.7.

The Average Variance Extracted (AVE)	(AVE)	
Personal Attitude	0.686	
Entrepreneurial Intention	0.736	
Subjective Norm	0.808	
Perceived Behavior Control	0.670	

Table 1. The AVE

Table 2. The Reliability

The Reliability	Cronbach's alpha	Composite reliability (rho_a)
Personal Attitude	0.908	0.911
Entrepreneurial intention	0.928	0.929
Subjective Norm	0.881	0.885
Perceived Behavior Control	0.900	0.908

Table 3. Fit Model

Fit Model	Saturated model		
SRMR	0.058		
d_ULS	0.784		
d_G	0.562		
Chi-square	629.124		
NFI	0.835		

Model Fit Test Results. Fit Model to measure whether the effect of the latent variable X on Y is significant. The measuring instrument used is an Adjusted R Square or SRMR of 0.058 < 0.10 and the Normal Fit Index (NFI) of 0.835 is close to 1. (see Table 3). Thus, it shows that the Latent X variable has a significant effect on the Latent Y variable.

Relationship between Latent Variables. Path Coefficient Test Results (Table 4): Personal Attitude has a positive, significant effect on Entrepreneurial Intention of 0.329; Subjective Norm has no effect on Entrepreneurial Intention because the significance is 0.343 > 0.05; Perceived Behaviour Control has a positive and significant effect on 0.569. Meanwhile, the Subjective Norm has a positive and significant effect on Personal

Path Coefficient	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/ STDEV)	P values
Personal Attitude - > Entrepreneurial Intention	0.329	0.328	0.068	4.810	0.000
Subjective Norm - > Personal <i>Attitude</i>	0.635	0.642	0.056	11.385	0.000
Subjective Norm- > Entrepreneurial Intention	0.053	0.050	0.055	11.597	0.343
Subjective Norm- > Perceived Behavior C	0.657	0.662	0.053	12.439	0.000
Perceived Behavior C - > Entrepreneurial Intention	0.569	0.571	0.083	6.841	0.000

Table 4. Path Coefficient

Attitude of 0.635 and the Subjective Norm has a significant positive effect on Perceived Behaviour Control of 0.657.

5 Discussion

Personal Attitude has a positive effect of 0.329, significant (p = 0.00) on Entrepreneurial Intention. This means that if the Personal attitude of Generation Z is formed, directed, and motivated so that it increases by 1 unit, the interest in becoming an entrepreneur will increase by 0.329 units. The element of Personal Attitude that is the main motivation for Generation Z is freedom and independence in acting and being creative, which is stated by more than 88% of respondents. These results answer Hypothesis 1, that Personal Attitude has an effect on Entrepreneurial Intention in Generation Z. This result is also in line with the results of previous studies [7, 23]. Subjective Norm has no effect on Entrepreneurial Intention because the significance is 0.343 > 0.00), so Hypothesis 2 which states that Subjective Norms have an effect on entering the Entrepreneur intention of Generation Z is not proven. These results are in accordance with research [24] but contrary to research [25], while Perceived Behaviour Control has a positive effect of 0.569 and significant (p = 0.00) on Entrepreneurial Intention. This means that if the Perceived Behaviour Control is increased by one unit, the Entrepreneur's Intention will also increase by 0.569 units. These results answer Hypothesis 3, Perceived Behaviour Control has an effect on Entrepreneur Intention. The results of this study support previous studies [26–28]. The subjective norm has a positive effect of 0.635 and is significant on the Personal Attitude of Generation Z. It means that if the subjective norm is increased by one unit, the Personal Attitude of Generation Z will increase by 0.635 units. Thus, Hypothesis 4 which states that Subjective Norms have an effect on Generation Z's Personal Attitude is proven. This can be understood, because Indonesia is a society that still has high kinship/group values, if the closest people: are family, friends, and relatives,

the wider community respect, and appreciate the support for entrepreneurship, more and more young Indonesians will be interested and challenged to become an entrepreneur. So far, Indonesian society is still dominated by the Baby Boomers generation, were working as an employee of large companies, or Civil Servants as a successful and respected career achievement, on the other hand, looks down on entrepreneurs. Subjective Norm has a positive effect of 0.657 and is significant on Perceived Behaviour Control Generation Z. It means, if the Subjective Norm is increased by one unit, then Perceived Behaviour Control will also increase by 0.657 units. Thus, Hypothesis 5 which states that the Subjective Norm has a positive effect on the Perceived Behaviour Control of Generation Z is proven. Perceived Behaviour Control is about a person's ability as an entrepreneur: able to start and continue to run it, able to prepare, able to control the process of his new business, and have the ability to detail the practice to start a business [29]. Thus, it can be understood that if the community already has a positive and strong perception of entrepreneurship, it will also have a positive impact on the personal attitude of the younger generation, they will be challenged to learn and improve their ability to become entrepreneurs. The description of the results of this study is in accordance with the results of previous research, that Generation Z in Indonesia has an independent character, has entrepreneurial skills, although low in problem-solving skills, is flexible in work schedules, freelances, does not like rigid/complicated planning, is interested in careers that have financial goals, the balance between work and enjoy life, hard worker but easily bored, integrity, honest, etc. [15] and [30].

6 Conclusion

The results of the study mostly support the a priori hypothesis proposed. Personal Attitude and Perceived Behavior Control have a positive and significant effect on entrepreneurial intention, but subjective norms have no effect on entrepreneurial intention. Meanwhile, Subjective Norm has a positive and significant effect on personal attitudes, and also on Perceived Behavior Control.

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