

IMPROVING BUSINESS INDEPENDENCE OF COLLEGE STUDENTS' GENERATION-Z THROUGH BEHAVIOR ENTREPRENEURSHIP DURING PANDEMIC COVID-19

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Abstract

In this study, the purpose of this research is to examine the relationship between entrepreneurial spirit and entrepreneurial value to increase business independence through entrepreneurial behavior in generation Z. Entrepreneurship in generation Z still need to be increased. In this study using quantitative methods, namely the data collection using a questionnaire that is taken directly. This study uses a non-probability sampling method, as convenience sampling for college students that their Universities has incubator business in Jakarta and Tangerang. The data collection of generation Z college students who have businesses over 1 year. The sample in this study was 108 respondents. Analysis data used Partial Least Square and data processing used applications, SmartPLS 3.2.4 Software. The result shown all hypotheses are supported. Contribution of this study can be used in related education in Universities to understand the way to increase business independence of generation Z through entrepreneurial behavior.

Keywords: Entrepreneurial; Entrepreneurial Values; Entrepreneurial Behavior; Business Independence

BACKGROUND

The economic sector is currently starting to rise from adversity due to the Covid-19 pandemic. The government carries out the National Economic Recovery (PEN) program, including fostering an entrepreneurial spirit. The problem is, the number of Indonesian entrepreneurs is relatively small when compared to Malaysia or Singapore. Therefore, entrepreneurial programs are needed to foster an entrepreneurial spirit. In the 2020 Global Entrepreneurship Index (GEI), Indonesia's position is at number 74 in the world (Baumal, 2018). Indonesia's current entrepreneurial ratio is still considered very small when compared to other countries in the world, which is 3.47 percent. Therefore, until 2024, the Ministry of Cooperatives and SMEs targets Indonesia's entrepreneurship ratio to rise to 3.94 percent.

To catch up, the government must consistently position entrepreneurship as a priority in human development, especially for Generation Z. Generation Z was born in 1995-2012. The results of the 2020 Population Census show that the Indonesian population is dominated by Generation Z. In total there are 74.93 million or 27.94% of the total population of Indonesia (BPS, 2021). Meanwhile many Gen Z-ers have a preference for starting their own (Powers, 2018). Generation Z in Indonesia is also believed to have big ambitions for entrepreneurship. Based on survey results from Standard Chartered, 87% of millennials and Generation Z plans to start their own business. The majority of Generation Z are students. So the role of universities cannot be ignored in building business independence through entrepreneurial behavior (Natalia, 2020).

Meanwhile, the University also supports government programs by presenting a Business Incubator. Business incubators in universities play a role in creating new entrepreneurs. Entrepreneurial ideals can be triggered from the entrepreneurial learning process in students (Yamockul et.al., 2019). Using entrepreneurship learning including incubator business is needed, it can also broaden students' knowledge of the world of entrepreneurship and motivate them to be directly involved in global entrepreneurship as reliable young entrepreneurs and contribute to the country's economy. The business incubator helps human resources who lack

competence and business motivation to become human resources who are creative and innovative in entrepreneurship as well as cooperative and productive as the first step in establishing business independence that has competitive, comparative advantages and also has a clear visionary (Mayasari, Liliana and Seto, 2019). Thus the research question that can formulate are:

1. Does entrepreneurial spirit has a positive effect on entrepreneurial behavior?
2. Does entrepreneurial value has a positive effect on entrepreneurial behavior?
3. Does entrepreneurial spirit has a positive effect on business independence?
4. Does entrepreneurial value has a positive effect on business independence?
5. Does entrepreneurial behavior has a positive effect on business independence?

This study scope of research is to know the way to business independence built among generation Z college students in any Universities of Jakarta dan Tangerang. The reason is there are several Universities in Jakarta and Tangerang has incubator to raise start up such as Universitas Pelita Harapan, Universitas Multi Media Nusantara, Universitas Trisakti, Universitas Indonesia Esa Unggul, PPM School of Management and many others. This study conduct in convenience sampling. Then, this study contribution is can be used in related education in Universities to understand the way to increase business independence of generation Z.

LITERATURE REVIEW

Entrepreneurship is related to the search for business opportunities which, when exploited effectively through competitive advantage, have value plus and wealth. Opportunities to produce innovative goods and services create value for customers and generate good business opportunities. By generating new business opportunities, the creation of new products that do not yet exist and will be interesting new customers with the uniqueness of the products we have created. Entrepreneurship provides a value or process in starting a business (startup), providing creativity (creative), and innovations (innovative) in running a business. People who are creative and innovative will push the company to be the best (Basrowi, 2016).

Generation Z or Gen Z or iGen or centennials, refers to the generation born between 1995-2012, after the millennial generation or gen Y. Generation Z has been raised by the internet and social media, has lived through higher education in college and some have completed it and enter the workforce in 2020. Generation Z grew up with technology, the internet, and social media, which sometimes causes them getting stereotyped as tech addict, anti-social, or warrior social justice. The context has produced hyper cognitive generation that is very comfortable with collecting a lot reference sources of information and integrate virtual experiences and offline (Francis & Hoefel, 2018). Supported by Wallace (2019) that stated that Gen Z weigh their options in terms of a reliable career path while avoiding the debt trap. Armed with the entrepreneurial spirit of the millennial generation, but with a little more caution and forethought, Gen Z will pave the way to success without following other people's rules. About 41% plan to start entrepreneurs and 45% believe they can find something that change the world. Generation Z usually emphasizes social relationships over work balance with good daily life and experience of great benefits.

Relation Entrepreneurial Spirit and Entrepreneurial Behavior

Yuyun (2015) said that someone who has an entrepreneurial spirit has a form of characteristics such as consider in taking risks, think of creative ideas in run their business, do business planning in the future, can see opportunities market needed so as to fill the vacant market, and create a product that is different from the others. By having an entrepreneurial spirit then character in entrepreneurship will be formed and affect entrepreneurial behavior

someone like an entrepreneurial spirit in making products that are safe for the surrounding environment. Supported by Welter & Smallbone (2011) and Frederick et al. (2015) that stated entrepreneurial spirit has a positive effect on entrepreneurial behavior

H1: Entrepreneurial spirit has a positive effect on entrepreneurial behavior.

Relation Entrepreneurial Value and Entrepreneurial Behavior,

The value of entrepreneurship must continue to be developed such as self-motivation with persistence and never give up to achieve these entrepreneurial goals. Have motivation within will make an entrepreneur become optimistic so that he has confidence themselves to exert all their abilities for entrepreneurship behavior. Mustafa (2011), Suryana (2011), and Kasmir (2012) stated that quality of a person as entrepreneurial value can be seen in timeliness in entrepreneurship behavior. Thus, value of entrepreneurial has a positive effect on entrepreneurial behavior

H2: Entrepreneurial value has a positive effect on entrepreneurial behavior.

Relation Entrepreneurial Spirit and Business independence

Kasmir (2012) says that the soul entrepreneurship can make someone have an interest in forming a business and manage the business so that it continues to achieve its business goals. In forming by his business good planning and accurate calculations are needed so that the business be smooth. Then, supported by Frederick et al. (2015) that stated to increase business independence especially among college students, government support is needed to provide capital in supporting students to become entrepreneurs. But the important is entrepreneurial spirit has positive effect on business independence of generation Z (Sanchez-Gutierrez et al., 2012; Frederick et al., 2015).

H3: Entrepreneurial spirit has a positive effect on business independence

Relation Entrepreneurial Value and Business independence

Alma (2011) says that the value of entrepreneurship can be seen from one's motivation in building a business effort. This motivation can be seen as calculations in opening a business, looking for facts about the business, and look for the data needed. Frederick et al. (2015) stated that with government support it can increase business independence of generation Z in society. The encouragement is in the form of capital assistance and tax reductions with small income. With the assistance from the government, it is expected that the number of entrepreneurship will continue to increase. With the value of entrepreneurship in the form of motivation and business independence through capital assistance from the government, it can increase number of entrepreneurs in the community.

H4: Entrepreneurial value has a positive effect on business independence.

Relation Entrepreneurial Behavior and Business independence

Cyndi and Rodiah (2019) stated when an entrepreneur is running his business, then entrepreneurial behavior is very important affect the performance of the business. By having good behavior in entrepreneurship, the business that is being carried out will be successful. Rahayu, Novadjaja and Indrawati (2011) stated Motivation can shape entrepreneurial behavior and will achieve the desired goals achieved. With motivation, we have great enthusiasm so that we can create new creative ideas. Entrepreneurial behavior can shape personality we are in entrepreneurship in behaving towards consumers, employees and suppliers. Suharti & Sirine (2012) stated that entrepreneurial behavior has an influence on business independence. By having good entrepreneurial behavior, self-reliance the effort will be stronger.

H5: Entrepreneurial behavior has a positive effect on business independence

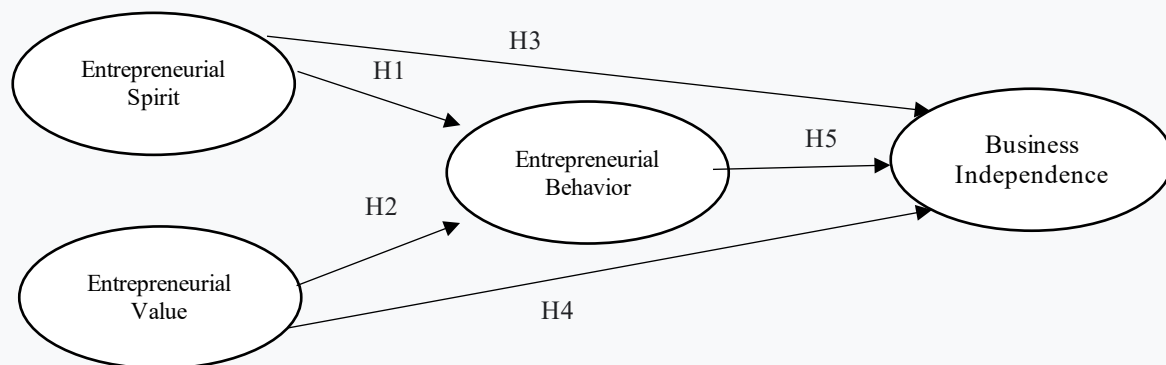


Figure 1. Research Model

METHODOLOGY

This study uses theory, hypothesis testing, and models. Sekaran & Bougie (2013) said that quantitative research has more ability to explain a special problem. In quantitative research, positivism is understood, namely research research based on actual facts. So that everything that happens is certain have a cause-and-effect relationship. The object method in this study is business independence through entrepreneurial spirit variables, entrepreneurial values, and entrepreneurial behavior for generation Z college students who have a business for more than 1 year. The subjects used in this study were University students from several Universities that has business incubator in Jakarta and Tangerang. This study uses a non-probability sampling method used convenience sampling. The sample in this study used 108 respondents. Analysis data used Partial Least Square used Software SmartPLS 3.2.4. Questionnaire has 5-scale Likert scale with consideration easier for respondents who cannot answer and have ethics or who stated that filling out the questionnaire did not force respondents to answer agree or not.

FINDING AND DISCUSSION

Profile of respondents

There are 108 respondents whose data is taken directly. As much 68 respondents were male and 40 female respondents. 38 respondents aged 16–18 years, 35 respondents aged 19–21 years, and 35 respondents aged 22–24 years. Majority respondents have an online business type as many as 70 people and 38 respondents have a type of offline business.

Outer Loading

Measurement model, validity testing in this study was measured using value of loading factor, convergent validity, and discriminant validity. The loading factor value must be can be greater than 0.6 and if the loading factor value is below 0.4 then the indicator it can be deleted. To measure the value of convergent validity, it can be measured through Average Variance Extracted (AVE) value, which must be greater than 0.7 and the value of loading factor above 0.6. the value of loading factors in this study has a value above 0.6. Testing the reliability of the data in this study using Cronbach's alpha and composite reliability to be able to test reliability. A data can be declared reliable if it has a composite reliability (CR) value greater than or equal to 0.7. The pilot test uses 30 samples all indicator are valid and used for actual test. Next, a table of validity and reliability results is shown in table 1 for the actual sample of 108 respondents.

Table 1. Validity and Reliability Result

Constructs	Outer Loading
Entrepreneurial Spirit : AVE : 0.632, CR : 0.878	
JK 1	0.769
JK 2	0.688
JK 3	0.831
JK 4	0.735
JK 5	0.786
JK 6	0.789
JK 7	0.774
Business Independence: AVE : 0.618, CR: 0.884	
KU 1	0.826
KU 2	0.758
KU 3	0.836
KU 4	0.814
KU 5	0.763
Entrepreneurial Spirit: AVE: 0.638, CR: 0.876	
NK 1	0.788
NK 2	0.676
NK 3	0.828
NK 4	0.786
NK 5	0.834
NK 6	0.778
NK 7	0.834
Entrepreneurial Behavior: AVE: 0.65, CR: 0.868	
NK 1	0.782
NK 2	0.842
NK 3	0.821
NK 4	0.833
NK 5	0.764
NK 6	0.783

Then, performing the Fornell-Lacker criterion analysis test, the discriminant validity test is shown from the square root of the average variance extracted (AVE) on each construct in the model (Ghozali & Latan 2015) as seen on table 2.

Table 2. Fornell-Larcker Criterion

	Entrepreneurial Spirit	Business Independence	Entrepreneurial Value	Entrepreneurial Behavior
Entrepreneurial Spirit	0.914			
Business Independence	0.839	0.865		
Entrepreneurial Value	0.750	0.851	0.879	
Entrepreneurial Behavior	0,783	0.861	0,808	0,917

Hypothesis Testing

Ghozali & Latan (2015) stated that an indication of whether a hypothesis is supported or not can be seen from the t-statistics. T-statistics were tested by one tailed test or one-way test with a significance level of 5%. The hypothesis is declared significant if the t-statistic must be more than 1.96 and use the t-value as a significant reference with a value that must be less than 0.05 as seen on table 3. Result shown all hypothesis are accepted.

Table 3. Hypothesis Testing

Hypothesis	<i>T-Statistic</i>	<i>T-value</i>	Result
Entrepreneurial Spirit → Entrepreneurial Behavior	5.044	0.000	Accepted
Entrepreneurial Value → Entrepreneurial Behavior	4.288	0.000	Accepted
Entrepreneurial Spirit → Business Independence	2.566	0.039	Accepted
Entrepreneurial Value → Business Independence	3.975	0.003	Accepted
Entrepreneurial Behavior → Business Independence	6.926	0.000	Accepted

The coefficient of determination

Test in assessing the structural model can be evaluated with the SmartPLS program by looking at the value for each endogenous latent variable as the predictive power of the structural model (Ghozali & Latan, 2015). The results represent the number of variants of the construct described by the model as seen on table 4.

Table 4. R-Square

	<i>R-square</i>
Business Independence	0.650
Entrepreneurial Behavior	0.680

Discussion

In the first hypothesis, the statement that the entrepreneurial spirit affects entrepreneurial behavior with a t-statistic value of 5.044 and a t-value of 0.000 explains that the first hypothesis is supported. In line with previous research conducted by Welter & Smallbone (2011), Meaning that according to generation Z student respondents when they have an entrepreneurial spirit will make entrepreneurial behavior work well. This is evident from their ability to run a business for more than 1 year, despite the Covid-19 pandemic. The entrepreneurial spirit that is owned as a spirit in running a business, although not easy, is certainly obtained from the basic knowledge provided by educational institutions, namely universities that have business incubators.

In the second hypothesis, the statement that entrepreneurial value affects entrepreneurial behavior with a t-statistic value of 4.288 and a t-value of 0.000 explains that the third hypothesis is supported. In line with research conducted by Suryana (2011), Mustafa (2011). Entrepreneurial value is an important part that must be owned by Generation Z students who are business actors who have speed in adapting technology. So that the norms and values adopted by respondents can improve entrepreneurial behavior. This can be seen in the characteristics of the majority of respondents running online businesses. This means that the value of technological adaptation and being able to be flexible with the Covid-19 pandemic conditions allows respondents to continue to run their businesses.

In the third hypothesis, the statement that the entrepreneurial spirit affects business independence with a t-statistic value of 2.566 and a t-value of 0.039 explains that the third hypothesis is supported. In line with research previously conducted by Kasmir (2012), Frederick et al. (2015). It can be explained that an entrepreneur is someone who has the ability to see and assess opportunities, manage the required resources and take appropriate actions, to ensure sustainable success. So that according to respondents the entrepreneurial spirit which is an internal motivation will have an impact on entrepreneurial behavior. If it is seen that the majority of respondents are men, according to Robbins and Judge (2017) generally have stronger self-determination than women. So that during the Covid 19 pandemic they can still achieve business sustainability with independent behavior in running their business. Moreover, the respondents were selected from universities that have business incubators that have

nurtured and taught how to run an independent business.

In the fourth hypothesis, the statement that the value of entrepreneurship has an effect on business independence with a t-statistic value of 3.975 and a t-value of 0.003 explains that the fourth hypothesis is supported. In line with previous research conducted by Alma (2011), Frederick et al. (2015). It can be explained that the better entrepreneurship value makes respondents who are already running a business trying to keep the business they are running. Especially at the age of generation Z, they have the ability and resilience to deal with changes during the Covid-19 pandemic. So the respondent shows that he is able to run his business independently.

In the fifth hypothesis, the statement that entrepreneurial behavior affects business independence with a t-statistic value of 6.926 and a t-value of 0.000 explains that the fifth hypothesis is supported. In line with previous research conducted by Suharti and Sirine (2011). Entrepreneurial behavior is the respondent's ability to continue to run a business during the Covid-19 pandemic so that they try to show their existence through their independent ability to run their business. Support from the family environment, university and knowledge in running a business support the business independence of this generation Z student.

CONCLUSION

Based on the results of data analysis and discussion, it can be concluded that the first hypothesis (H1) has a positive and significant relationship with entrepreneurial behavior. So that the first hypothesis can be accepted because the entrepreneurial spirit is one of the factors that influence entrepreneurial behavior. In H2 with the statement that the value of entrepreneurship has an effect on entrepreneurial behavior, the results of the analysis that have been carried out show that the value of entrepreneurship has a positive and significant relationship to behavior. entrepreneurship. So the second hypothesis is accepted because the value of entrepreneurship is one of the factors that can influence entrepreneurial behavior. The third hypothesis with the statement that the entrepreneurial spirit affects business independence. Based on the analysis contained in this research, it is explained that the entrepreneurial spirit has a positive and significant relationship to business independence. So the third hypothesis can be accepted because the entrepreneurial spirit is one of the factors that can affect business independence. The fourth hypothesis with the statement that the value of entrepreneurship has an effect on business independence. Based on data analysis shows that the value of entrepreneurship can have a positive and significant effect on business independence. It can be concluded that the fourth hypothesis is accepted because the value of entrepreneurship is one of the factors that can affect business independence. Furthermore, in the fifth hypothesis, the statement of entrepreneurial behavior can affect business independence. Based on the results of the analysis, the fifth hypothesis is accepted because entrepreneurial behavior can affect business independence.

RESEARCH LIMITATION AND RECOMMENDATION

There are limitations in this study, where the limitations are based on the sample technique, variables, number of samples and time, and sample characteristics. In this study, only the variables in the research model were used. Meanwhile, there are other variables that can affect business independence. Other variables such as self-support, relationship support, and other independent variables that can affect business independence. The sampling technique used is judgment sampling, where only subjects who can meet the new criteria can become respondents. Limitation on the number of respondents used is only 90 respondents. This study is a cross-sectional study. Where, changes in business independence within a certain period of

time cannot be further identified.

There are several suggestions that the researcher proposes for further research. For further research, it is recommended to distribute the questionnaire widely not only Jakarta and Tangerang by adding more samples so that the research results are in accordance with the conditions in the field business independence gen z in Indonesia. Furthermore, it is recommended to add other independent variables that can measure business independence. This research uses the SmartPLS software with the PLS method. It is hoped that further research can use the SEM method to measure the structural model based on a strong theoretical study to be able to test the causal relationship between variables and to measure the feasibility of the model with empirical data.

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