

# ICSH Entrepreneurial Intention

*by* Ratih Indriyani

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# The Influence of Entrepreneurial Motivation and Family Support on Entrepreneurial Intention among the Millennials

Ratih Indriyani<sup>1,\*</sup> and Fanny Chintia Purnomo<sup>2</sup>

<sup>1</sup>Business Management Program, Department of Management, Petra Christian University, Indonesia

**Abstract.** The millennials need motivation and supports from family to manifest their entrepreneurial intention to become a real entrepreneur. The millennials now have taken their roles in the business world. This study is to examine the influence of entrepreneurial motivation and family supports on entrepreneurial intention among the millennials in Surabaya.

This research is using the quantitative method, with the number of sample of 100 respondents from the population of millennials in Surabaya. The data collection was conducted by distributing questionnaires to respondents. Then, the data were processed and analyzed using multiple regressions with the help of SPSS. The results indicated that entrepreneurial motivation and family support have positive and significant influences on entrepreneurial intention among the millennials in Surabaya. Therefore, family is expected to support the millennials to become real entrepreneurs, and supports can be in terms of monetary and moral supports in order to motivate their intention to start their own business.

**Keywords:** Entrepreneurial motivation, family support, entrepreneurial intention.

## 1 Introduction

The existence of entrepreneurship is very necessary to encourage and improve the economy in Indonesia. The number of entrepreneurs in Indonesia is still small compared to the productive age population [1]. Entrepreneurship can improve the country's economy and also improve the economy of each individual, and increase job opportunities [2]. An entrepreneur is someone who dares to take risks in opening a business. Entrepreneurs can play a role in creating jobs and supporting the country's economic growth [3]. The results of previous studies stated that many young people like the profession as entrepreneurs [4].

The millennial generation is the generation born in the 1980s to 2000 [5]. Millennials tend not to dare to open a business that can take big risks. Most millennials prefer to have their own business because it is in accordance with the millennial character who likes challenges, likes freedom, is creative, and likes to express themselves. These characters encourage individuals to be innovative and creative, which can foster entrepreneurial intention. Entrepreneurial intention among millennials is driven by entrepreneurial motivation.

Motivation in entrepreneurship is related to the drive to act that leads to achieve entrepreneurial goals [6]. Motivation influences entrepreneurial intention because it can trigger interest in taking action innovative thinking in generating operating profits. Motivation in entrepreneurship can be in the form of the need to achieve business goals [7]

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\* Corresponding author: ranytaa@petra.ac.id

Motivation is an internal drive to achieve a target. In running a business, millennials are also motivated to be able to get freedom in running their business such as flexibility in managing time and determining operational activities. On the other hand, support from family environment is also an impetus for millennials to start a business [8]

Family is the primary environment for social interaction. The family environment can support individuals to grow their interest in entrepreneurship [8]. The influence of families who own businesses tends to inspire their children to become entrepreneurs as well. This makes the younger generation more motivated to open their own business. Families and parents who own businesses also tend to support their children to be brave in doing business [9] Family support in entrepreneurship in the form of moral support and material support. Material support from the family can be in the form of capital, equipment [10]. Previous research stated that family support affects individual attitudes in entrepreneurship [11] While in the other research explains that family support determines the level of entrepreneurial intention [12]

The millennial generation has characteristics as people who are active, innovative, have a strong spirit and motivate themselves in realizing their desires [13] Millennials are always looking for things they like and match their passions [14]. One of their passions is having their own business. millennials have the potential to adopt and adapt entrepreneurship as their career path, millennials have the potential to cultivate innovation and knowledge they have in opening a business [15], [16]

Millennial generation is a generation that has many ideas and has ambitions in work. Millennials usually open their businesses to be able to achieve success [17] With the ambitious nature of millennials, and driven by their motivation, and with family support, millennials have high entrepreneurial intentions. This study wants to examine the effect of entrepreneurial motivation on entrepreneurial intention. This study wants to examine the effect of family support on entrepreneurial intention in the millennial generation in Surabaya, Indonesia

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## 2 Literature Review

### 2.1 Entrepreneurial Motivation

Motivation is an encouragement to be able to overcome all problems or obstacles in entrepreneurship. Entrepreneurial motivation can arise because of the desire to achieve it [18] Motivation in entrepreneurship is needed as encouragement, enthusiasm, and interest to achieve success in entrepreneurship. Motivation is an instinct that drives behavior to achieve goals [19]. A person who has a positive motivation will be optimistic in taking risks [7]. The goals to be achieved in running a business are varied. In business, the motivation of entrepreneurs is to earn profit, gain individual freedom and freedom in running a business.

Entrepreneurial motivations are intrinsic motivation and extrinsic motivation. Intrinsic motivation as a form of internal encouragement in carrying out tasks, such as interest, reciprocity, self-determination, and others [20] Extrinsic motivation is an external factor that influences individual behavior to get results. Intrinsic motivation refers to a personal interest in carrying out a task such as achievement, while extrinsic motivation refers to external rewards [21]. Intrinsic motivation comes from the activity itself [22]. While the extrinsic motivation comes from outside the individual such as money or financial rewards are rewards from general extrinsic motivation.

## 2.3 Family Support

Family support is a supporting resource that gives confidence to individuals in running a business [23]. Families provide social support through interactions in communication, emotional assistance, material, and others. Strong emotional support from the family can increase entrepreneurs' confidence and motivate them to make various efforts to run a business [24]. Family support plays an important role in improving entrepreneurial skills in dealing with business problems [25].

Family support is the perception of individuals having emotional, intellectual, and family economic support in starting a new business or entrepreneurship [11]. Family support is one of the factors in developing entrepreneurial potential because communicating with family is more flexible than with other people [12]. Entrepreneurial families will affect the tendency of children to become entrepreneurs [9]. Children who grow up in families who have businesses will provide knowledge about entrepreneurship and inspire them to become entrepreneurs as well.

## 2.3 Entrepreneurial Intention

Entrepreneurial interest is the main element in the process of business development to develop and achieve its goals. Entrepreneurial intention is a person's willingness, desire, and ability to engage in entrepreneurial behavior or build a business. Interest is how motivated people are to do something. Entrepreneurial intention is a personal orientation that is owned <sup>8</sup> be able to lead to the creation of a business [26]. Entrepreneurial intention is the desire <sup>8</sup> to start a new business and the potential <sup>8</sup> to start a business in the future. Entrepreneurial intention directs the behavior and activities of entrepreneurs [27]. Entrepreneurship is an opportunity to provide jobs [29]. Millennial can play a role in increasing job availability [30]. Young people who are serious about starting entrepreneurship have a higher initiative in business activities.

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## 2.4 Hypothesis Development

### 2.4.1 The Relationship between Entrepreneurial Motivation and Entrepreneurial Intention

Motivation is a factor that changes an individual's intention to take action [31]. Motivation is an encouragement to grow the desire to become a successful entrepreneur. The higher the motivation in entrepreneurship, the higher the possibility of achieving success in business because <sup>4</sup> high motivation will influence a person to overcome all difficulties. The research proves that motivation has a significant and positive effect on entrepreneurial intention [32]. This study is supported by the results of several researches [33], [24], [35], which show that motivation has a positive influence on entrepreneurial intention.

H<sub>1</sub>: Entrepreneurial motivation has significant influence towards *entrepreneurial intention*.

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### 2.4.2 The Relationship between Family Support and Entrepreneurial Intention

Family support affects the interest in entrepreneurship. The role of the family is addressed to parents, siblings, and family. Families who support their children can inspire them to become entrepreneurs [10]. The family environment is <sup>4</sup> the main environment that influences behavior in child development. In this case, the family environment affects children's interest in entrepreneurship with the encouragement of the family. Family has a

significant and positive effect on entrepreneurial intention [11] Some researchs also states that family support can increase intention to start a business [29],[8].

H<sub>2</sub>: Family support berpengaruh signifikan terhadap entrepreneurial intention.

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### 3 Research Method

This research uses quantitative research method. Quantitative research is research based on the positivism philosophy. The population in this study is the millennial generation who were born in 1980-2000 in Indonesia. The number of samples is 100 respondents obtained using the Slovin formula. Sampling used purposive sampling to obtain samples according to research objectives. The data from the purposive sample answered what the objectives and problems of the study. [36]

Hypothesis testing follows the steps of SPSS data analysis like below:

- Examination of Validity and reliability 7
  - Classical assumption tests, steps including normality test, multicollinearity test, and heteroscedasticity test.
  - Conducting Multiple regression analysis for the Hypothesis testing 1
- Hypothesis testing uses the t-test to examine the influence of independent variables of to a dependent variable of this research

### 4 Data Analysis and Discussion

**Table 1. Validity Test (X1)**

No	Item	Total Score		Result
		Coefficient	P-value	
1	X <sub>1.1</sub>	0.802	0.000	Valid
2	X <sub>1.2</sub>	0.834	0.000	Valid
3	X <sub>1.3</sub>	0.783	0.000	Valid
4	X <sub>1.4</sub>	0.821	0.000	Valid
5	X <sub>1.5</sub>	0.840	0.000	Valid
6	X <sub>1.6</sub>	0.529	0.000	Valid

Result of the study indicates that p-value < 0.05, all indicators are valid

**Table 2. Validity Test (X2)**

No	Item	Total Score		Result
		Coefficient	P-value	
1	X <sub>2.1</sub>	0.795	0.000	Valid
2	X <sub>2.2</sub>	0.875	0.000	Valid
3	X <sub>2.3</sub>	0.766	0.000	Valid
4	X <sub>2.4</sub>	0.815	0.000	Valid
5	X <sub>2.5</sub>	0.814	0.000	Valid

Indicators of family support are all fullfill the validity criteria, based on the correlation > dari 0.197 and p-value < 0.05.

**Table 3. Validity Test (Y)**

No	Item Pernyataan	Total Score		Result
		Koefisien Korelasi	P-value	
1	Y <sub>1</sub>	0.902	0.000	Valid
2	Y <sub>2</sub>	0.893	0.000	Valid
3	Y <sub>3</sub>	0.873	0.000	Valid

All items for *Entrepreneurial Intention* are valid, based on the value of nilai correlation coefficient  $> 0.197$  and  $p\text{-value} < 0.05$ .

**Table 4. Reliability Test**

No	Variabel	Cronbach's Alpha	Result
1	Entrepreneurial Motivation ( $X_1$ )	0.860	Reliabel
2	Family support ( $X_2$ )	0.872	Reliabel
3	Entrepreneurial intention (Y)	0.866	Reliabel

All dependent and independent variable has Cronbach's Alpha  $> 0.6$ , indicating that all variables in this study are reliable.

**Table 5. Normality Test**

<i>Unstandardized Residual</i>	
Asymp. Sig. (2-tailed)	0.093

The data of this reserach are fullfill normality test, due to the sig value  $> 0.05$ .

**Table 6. Multicollinearity Test**

Variabel	Tolerance	VIF	Result
Entrepreneurial Motivation ( $X_1$ )	0.421	2.374	no multicollinearity
Family Support ( $X_2$ )	0.421	2.374	no multicollinearity

There is no multicollinearity between Entrepreneurial Motivation ( $X_1$ ) dan *Family Support* ( $X_2$ ) based on the *Tolerance* value  $> 0.1$  dan  $VIF < 10$ .

**Table 7. Heteroscesdastcity Test**

Model	Sig.
Entrepreneurial Motivation ( $X_1$ )	0.564
<i>Family support</i> ( $X_2$ )	0.128

**Table 8. Multiple Regression**

Model	<i>Unstandardized Coefficients</i>	
	B	
(Constant)	1.406	
Entrepreneurial Motivation ( $X_1$ )	0.284	

Regression model in this research is as below :

$$Y = 1.406 + 0.284X_1 + 0.185X_2$$

The model can be interpreted as follows:

- The coefficient of entrepreneurial motivation ( $X_1$ ) is 0.284, indicating that the variable of entrepreneurial motivation has an influence on the entrepreneurial intention
- The coefficient of family support ( $X_2$ ) is 0.185, indicating that the variable of the family support variable has an influence on the entrepreneurial intention variable.

**Table 9. Determination Coefficient**

Model	R	R Square
1	0.714	0.509

The value of R in Table 7. is 0.714, meaning the relationship between the two independent variables with the dependent variable is quite strong and positive because the value of R is approaching + 1. The adjusted  $R^2$  value is 0.509, meaning that the increase in entrepreneurial spirit is explained by the two independent variables by 50.9 %. The remaining 49.1 % is explained by other variables outside these two existing independent variables.

**Table 8. Feasibility Test**

Model	Sig.
Entrepreneurial Motivation ( $X_1$ )	0.000
Family Support ( $X_2$ )	0.009

The table above shows the value of Sig. in this regression model smaller than the significance level of 0.05. This means that the regression model is feasible to explain the effect of entrepreneurial creativity and entrepreneurial mindset on entrepreneurial spirit variables.

**Table 9. t-test**

	Sig.
Entrepreneurial Motivation ( $X_1$ )	0.000
Family Support ( $X_2$ )	0.009

The values of t-test for all variables show greater than the value of t-table, and the significance of all variables has the value below 0.05, so it can be stated that the variables of entrepreneurial motivation ( $X_1$ ) and family support ( $X_2$ ) each have partial effects on the entrepreneurial intention ( $Y$ ).

### Hypothesis testing

Hypothesis (H1)

The significant value of the entrepreneurial motivation variable is 0.000 < 0.05, so it can be stated that entrepreneurial motivation has a significant influence on entrepreneurial intention.

Hypothesis 2 (H2)

The significant value of the family support variable is  $0.009 < 0.05$ , so it can be stated that family support has a significant influence on entrepreneurial intention.

#### **4.1 The Influence of Entrepreneurial Motivation to Entrepreneurial Intention**

The results obtained in this study indicate that entrepreneurial motivation has a significant positive effect on entrepreneurial intention, which means that the greater the entrepreneurial motivation of millennials in Surabaya, the more influential it is on their entrepreneurial intention. The results obtained are in line with several previous studies [32], [33], [34]

The entrepreneurial motivation of millennials in Surabaya is very high. In the entrepreneurial motivation variable itself, it was found that the states with the highest mean value was the motivation in entrepreneurship because they wanted to have their own business. According to the statement, that the respondent of this research think that they want to move forward, one factor is their willingness to have their own business. The high level of entrepreneurial motivation of research respondents will directly have an impact on increasing entrepreneurial intention.

#### **4.2 The Influence Family Support to Entrepreneurial Intention**

The results of study indicate that family support has a significant positive effect on entrepreneurial intention, which means that the higher the family support owned by millennials in Surabaya, the higher the entrepreneurial intention. The results obtained are in line with the research conducted [11], [8]. Family support plays an important role in encouraging entrepreneurial intention. This study found that families provide very high support. The millennial generation in this study has large family support in entrepreneurship. The families who provide a lot of support are parents and siblings. Families provide support and give permission for family members to have their own businesses. This support is important for millennials in Surabaya so that they can direct their desires in entrepreneurship.

### **5 Conclusion**

The results of the study indicate that entrepreneurial motivation has a significant effect on entrepreneurial intention among millennials in Surabaya. The results of this study also show that family support has a significant effect on entrepreneurial intention among millennials in Surabaya. Millennials should have the desire to create their jobs. This urge causes the motivation that they have will also grow. Entrepreneurial motivation is expected to be improved in the future by adding insight and knowledge in running a business and its obstacles.

Entrepreneurial motivation has the weakest aspect on the extrinsic dimension. The external environment that influences the interest in running a business is the willingness of the family to provide work for family members. Entrepreneurship is not only fulfilling income needs but also creating jobs, including for their own families. The family support variable has the lowest aspect of family financial support for starting a business. Family support is important to increase entrepreneurial intentions. Therefore, the family should provide the necessary financial support to strengthen the start-up capital of the business.



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