

Analysis of Factors That Motivate The Millennial Generation to Desire to Become Entrepreneurs in Pekanbaru

Endrianto Ustha^{1*}, Fiona Tahta Tsara²

^{1,2} Faculty Economy and Social, State Islamic University Of Sultan Syarif Kasim, Pekanbaru, Indonesia

ARTICLE INFO

Article history:

Received October 08, 2024

Revised October 18, 2024

Accepted October 18, 2024

Available online December 18, 2024

Keywords:

Self-Success, Risk Tolerance, Freedom in Work, Need for Success, Instrument Readiness.



This is an open access article under the [CC BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) license.

Copyright © 2023 by Author.

Published by UIN Suska Riau

ABSTRACT

This research is an explanatory research that will prove the causal relationship between independent variables, namely the self-success factor variable, the risk tolerance factor variable, and the work freedom factor variable; and the dependent variable, namely the desire to become an entrepreneur factor. And correlational research, which is research that

seeks to see whether there is a relationship between two or more variables, and if so, how strong that relationship is and the direction of that relationship. The type of data used is primary data. The research method is a survey with an inductive analysis approach to see the commonly used methods in the tested factors that influence the millennial generation's desire to become entrepreneurs. The data collection method used a questionnaire with a total of 100 respondents. The sampling technique employed was simple random sampling. (Random Sampling Method). Data is processed and analyzed using the SPSS application. The analytical tools used in this research are validity testing, reliability testing, and multiple linear regression. The results of this study indicate that the variables of Self-Success, freedom in working, and the need to achieve accomplishments are dominant among the variables influencing the desire of the millennial generation in Pekanbaru to become entrepreneurs.

*Corresponding author.

E-mail: EndriantoUsthaa@email.com

INTRODUCTION

Unemployment in Indonesia is increasing day by day as time goes by. Job seekers, whether they have a bachelor's degree or not, must compete to secure jobs in a limited job market. The cause of the educated unemployment problem is that many graduates aim only to find jobs, not to create job opportunities. In fact, becoming an entrepreneur is one of the key factors that determines the progress or decline of the economy, because the field of entrepreneurship offers the freedom to create and be independent. It is this entrepreneurship that is capable of creating new job opportunities to absorb the workforce.

Similarly, the trend among the current Millennial Generation is that most of them prefer stable jobs that offer prestigious status and high income, with the tendency that the majority of Millennials do not have entrepreneurial plans. Generally, they prefer to become employees at large companies or government institutions (becoming civil servants) to secure their future. Therefore, the Millennial Generation needs to be guided and supported not only to be oriented as job seekers but also to be able and ready to become job creators. The main reason someone engages in entrepreneurial activities is the desire to be an entrepreneur.

The Central Statistics Agency (BPS) of Riau Province recorded that the population in Riau is currently dominated by Generation Z and Millennials. This is based on the results of the population census conducted towards the end of 2022. The population structure can become one of the development assets when the number of the productive age population between 14-64 years is very large. Most of this generation falls within the productive age, which can be an opportunity to accelerate economic growth. This is both an opportunity and a challenge for the city of Pekanbaru, both in the present and in the future, because this generation has the potential to be the actors in the development that will determine the future of Pekanbaru.

In order for the Millennial Generation to be motivated and have the desire to become entrepreneurs, it is deemed necessary to analyze the factors that can influence the Millennial Generation's desire to become entrepreneurs, with the hope that it can later be considered by higher education institutions in developing courses, especially in the field of entrepreneurship. The first factor is self-achievement, the second is risk tolerance, the third is freedom in working, the fourth is the need for achievement, and the fifth is the readiness of instruments to become an entrepreneur.

Based on the background above, the problem formulation in this research is:

1. Does the Self-Success Motivation Factor influence the Desire of the Millennial Generation to become Entrepreneurs in Pekanbaru?
2. Does the Factor of Motivation and Risk Tolerance affect the Desire of the Millennial Generation to become Entrepreneurs in Pekanbaru?
3. Does the Factor of Freedom Motivation in Work Influence the Desire of the Millennial Generation to Become Entrepreneurs in Pekanbaru?
4. Does the Motivational Factor of Achievement Need influence the Desire of the Millennial Generation to become Entrepreneurs in Pekanbaru?
5. Does the Instrumentation Readiness Motivation Factor influence the Millennial Generation's desire to become entrepreneurs in Pekanbaru?

The objectives of this research are as follows:

1. To determine the influence of self-success motivation on the desire of the Millennial Generation to become entrepreneurs in Pekanbaru.
2. To determine the influence of risk tolerance motivation on the desire of the Millennial Generation to become entrepreneurs in Pekanbaru.
3. To determine the influence of work freedom motivation on the desire of the Millennial Generation to become entrepreneurs in Pekanbaru.
4. To determine the influence of achievement need motivation on the desire of the Millennial Generation to become entrepreneurs in Pekanbaru.
5. To determine the influence of instrumentation readiness motivation on the desire of the Millennial Generation to become entrepreneurs in Pekanbaru.

This research is expected to provide benefits to several parties, including:

a. Theoretical Benefits

The results of this research are expected to contribute to the Millennial Generation regarding entrepreneurship theory and consumer behavior, as well as to motivate the Millennial Generation.

b. Practical Benefits

The research results can be used as input in determining policies and effective measures in the development of the Millennial Generation in Pekanbaru.

METHODOLOGY

This research was conducted in the city of Pekanbaru. This research is explanatory research that will prove the causal relationship between independent variables, namely self-success factors, risk tolerance factors, and work freedom factors; and the dependent variable, namely the desire to become an entrepreneur. It is also correlational research, which seeks to see whether there is a relationship between two or more variables, how strong that relationship is, and the direction of that relationship. Population and Sample.

The population of this study is the entire Millennial Generation in Pekanbaru, which amounts to 305,905 individuals. And for the sample using the Slovin formula:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

- n = Sample size/number of respondents
- N = Population size
- e = Margin of error

Thus, with $e = 0.1$, the sample size obtained = 99.97
Rounded = 100 Samples.

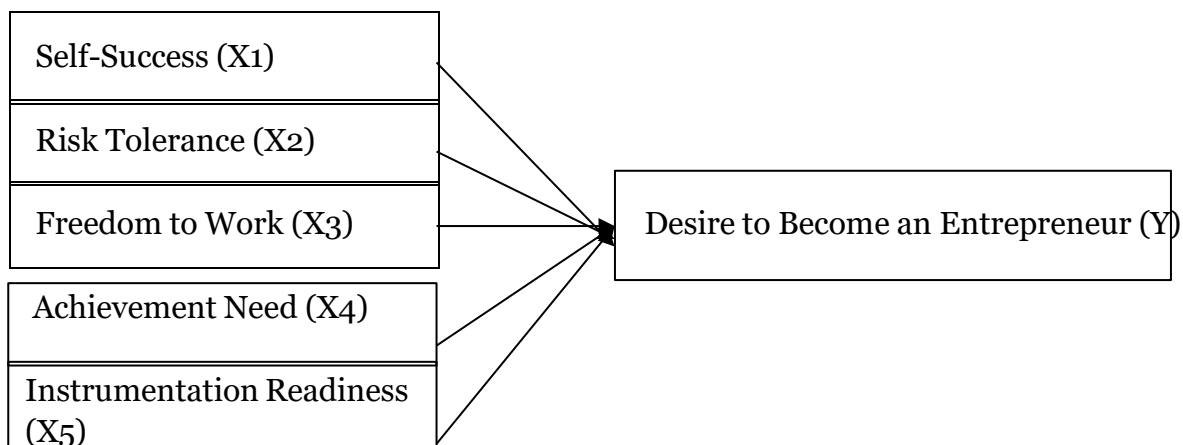
The variables in this study consist of:

- a. Variable X1, which is the Self-Success Factor.
- b. Variable X2, which is the Risk Tolerance Factor.
- c. Variable X3, which is the Freedom to Work Factor.
- d. Variable X4, which is the Achievement Need Factor.
- e. Variable X5, which is the Instrumentation Readiness Factor.
- f. Variable Y, which is the Desire to Become an Entrepreneur Factor.

Research Model

From the theoretical framework that has been developed, the model to be used in this research can be illustrated in Figure 3.1.

Schematic Framework of the Research Model



RESULTS AND DISCUSSION

1.1. Research Results

1.1.1. Multiple Regression Analysis

The data analysis method used in this research is the quantitative analysis method. Where to achieve the first objective, which is to analyze the influence of self-efficacy, risk tolerance, freedom in work, need for achievement, and readiness of instrumentation on students' desire to become entrepreneurs, is by using multiple regression analysis. Regression is conducted to determine the extent to which independent variables affect the dependent variable. In multiple regression, there is one dependent variable, which is the students' desire to become entrepreneurs, while the independent variables are self-efficacy, risk tolerance, freedom in work, need for achievement, and readiness of instrumentation.

The statistical calculations in the multiple linear regression analysis used in this study were conducted with the assistance of the SPSS for Windows version 23.0 computer program. The data processing results using the SPSS program are as follows:

Table 4.1.
Data Processing Results
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.488	3.151		.472	.638
x1	.602	.115	.504	5.249	.000
x2	.211	.142	.113	1.484	.141
x3	.306	.119	.239	2.576	.012
x4	.399	.087	.337	4.600	.000
x5	.053	.127	.030	.414	.680

a. Dependent Variable: y

The regression equation model that can be written from the results in the form of the following regression equation:

$$Y = 1.488 + 0.602X_1 + 0.211X_2 + 0.306X_3 + 0.399X_4 + 0.053X_5 + e$$

It is obtained that these five variables have positive regression coefficients. However, in the case of variables X₂ and X₅, which are the risk tolerance variable and the instrumentation readiness variable, there is no significant effect. This means that an increase in self-success, greater freedom in working, and a higher need for achievement

will enhance the entrepreneurial spirit within the Millennial Generation.

1.1.2. Simultaneous Significance Test (F Test)

The F Test shows whether all the independent variables included in the model have a joint effect on the dependent variable. The results of the F-test calculations are as follows:

Table 4.2
Anova Table
ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	898.062	5	179.612	21.721	000 ^a
Residual	777.298	94	8.269		
Total	1675.360	99			

a. Predictors:(Constant),x5,x1,x4,x2,x3

b. Dependent Variable:y

The test results based on the ANOVA test or F-statistic test show that the model has an F value of 21.721 with a probability of 0.000. The significance value is less than 0.05. This means that the desire to become an entrepreneur can be explained by the variables of self-success, risk tolerance, freedom in working, need for achievement, and readiness of instrumentation.

1.1.3. Partial Influence Significance Test (t-test)

The t-test shows how far the influence of an independent variable individually explains the variation of the dependent variable. Based on the coefficients table, it can be seen that each independent variable—self-efficacy (X1), freedom to work (X3), and need for achievement (X4)—has a significance level of less than 0.05. This means that each independent variable has a positive and significant effect on the dependent variable. However, the risk tolerance variable (X2) and the instrument readiness variable (X5) have a positive but not significant effect, as their significance values are still greater than 0.05.

1.1.4. Coefficient of Determination (R²)

The coefficient of determination measures the extent to which the model explains the variation in the dependent variable. Here is the coefficient of determination table generated in the research:

Table 4.3
Coefficient of Determination
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.732a	.536	.511	2.876

a. Predictors: (Constant), x5, x1, x4, x2, x3

b. Dependent Variable: y

The result of the regression calculation shows that the coefficient of determination (R Square) obtained is 0.536. This means that 53.6% of the dependent variable, which is the desire to become an entrepreneur, can be explained by the independent variables, namely self-efficacy, risk tolerance, freedom in working, need for achievement, and readiness for instrumentation. Meanwhile, 46.4% of the desire to become an entrepreneur can be explained by other variables not included in this study.

1.2. Discussion of Hypothesis Test Results

1.2.1. Testing Hypothesis 1

Based on the testing with SPSS, the results of the test on the influence of self-efficacy on the desire to become an entrepreneur show a t-value of 5.249 with a probability of 0.000. This significance value is less than 0.050. This means that self-efficacy has a significant positive influence on the desire of the millennial generation to become entrepreneurs. It means Hypothesis 1 is accepted. This shows that the millennial generation has a high work ethic in running their businesses and possesses an optimistic spirit towards the goals they hope for in their future.

1.2.2. Hypothesis Testing 2

Based on the testing with SPSS, the results of the test on the influence of Risk Tolerance on the desire to become an entrepreneur show a t-value of 1.484 with a probability of 0.141. The significance value is greater than 0.050. This means that risk tolerance does not significantly affect the desire of the millennial generation to become entrepreneurs, which means Hypothesis 2 is rejected. This is because not all millennials enjoy challenges and like to seize the opportunities available.

1.2.3. Hypothesis Testing 3

Based on the testing with SPSS, the results of the test on the influence of Freedom in working on the desire to become an entrepreneur show a t-value of 2.576 with a probability of 0.012. The significance value is less than 0.050. This means that freedom

in work has a significantly positive influence on the desire of the millennial generation to become entrepreneurs. So, Hypothesis 3 is accepted. By becoming entrepreneurs, the millennial generation will be able to create job opportunities and have the freedom to choose the jobs they desire.

1.2.4. Hypothesis Testing 4

Based on testing with SPSS, the results of the test on the influence of the Need for Achievement on the desire to become an entrepreneur show a t-value of 4.600 with a probability of 0.000. The significance value is less than 0.050. This means that the need for achievement has a significant positive influence on the millennial generation's desire to become entrepreneurs. It means Hypothesis 4 is accepted. Because someone with a need for achievement will pursue entrepreneurial work more than other types of jobs and is likely to perform well in their tasks.

1.2.5. Hypothesis Testing 5

Based on the testing with SPSS, the results of the test on the influence of Instrumentation Readiness on the desire to become an entrepreneur show a t-value of 0.414 with a probability of 0.680. The significance value is greater than 0.050. This means that the readiness of instrumentation does not have a significant impact on the desire of the millennial generation to become entrepreneurs. Therefore, Hypothesis 5 is rejected. This is because not all millennials feel they have good instrument readiness, the lack of capital availability, information, and social networks that each individual possesses need to be prepared if they wish to become entrepreneurs.

1.2.6. Hypothesis Testing 6

Based on the testing with SPSS, the results show that the influence of self-success, risk tolerance, freedom in working, need for achievement, and readiness of instrumentation together affect the desire to become an entrepreneur at a significance level of 0.000. Since the significance value is less than 0.05, Hypothesis 6 is accepted. Thus, the desire of the millennial generation to become entrepreneurs can be motivated by the factors of self-success, risk tolerance, freedom in working, need for achievement, and readiness of instrumentation.

CONCLUSION

1.1. Conclusion

From the discussion that has been outlined, the following conclusions can be drawn:

1. The independent variables (Self-efficacy, Risk tolerance, Freedom in working, Need for achievement, and Instrumentation readiness) collectively have a positive and significant impact on the desire of the Millennial Generation to become

entrepreneurs.

2. The independent variables (Self-efficacy, Freedom in working, and Need for achievement) individually or partially have a positive and significant impact on the desire of the Millennial Generation to become entrepreneurs. Meanwhile, the independent variables (Risk tolerance and Instrumentation readiness) do not have a significant impact, as many Millennials have not yet engaged in entrepreneurial activities and tend to avoid risks in decision-making, as well as having limited access to capital, known information, and social networks.
3. The Factor of Self-Success has the greatest influence on the Millennial Generation's Desire to Become Entrepreneurs. This is evident from its coefficient value of 0.602, which is greater than the tolerance for risk (0.211), freedom in work (0.306), need for achievement (0.399), and instrument readiness. (0,053).

1.2. Suggestions

The suggestions that can be provided as a follow-up to the research findings are as follows:

1. Regarding the factor of self-success, the aspect of competence in work seems to be the least attended to by the millennial generation. For that reason, in many ways, linking competencies to compete with others in the development of the millennial generation as an initial part of fostering an entrepreneurial spirit seems to be a top priority.
2. Regarding risk tolerance, the preference for seizing opportunities possessed by the millennial generation can reduce the cultivated risk tolerance. For that reason, various self-learning in seizing available opportunities must always be possessed by the millennial generation.
3. Regarding freedom in work, the aspect of taking initiative should be one of the efforts to seize opportunities and create new business opportunities. Therefore, training for the millennial generation must be conducted.
4. In relation to the need for achievement, the effort to do better than others must be developed within the millennial generation as part of nurturing the entrepreneurial spirit.
5. Regarding the readiness of instrumentation, access to capital, information, and social networks possessed by the millennial generation needs to be improved as an effort to open business opportunities for the millennial generation. This can be done by fostering collaboration between the millennial generation and the Pekanbaru City government. So that in the future, the millennial generation can channel and develop their entrepreneurial potential.

REFERENCES

- Alma, Buchari. 2021. *Pengantar Bisnis*. Alfabeta. Bandung.
- Adeline. 2021. Faktor–Faktor yang Mempengaruhi Minat Berwirausaha Budidaya Lele Sangkuriang. *Jurnal Ekonomi Manajemen*. Universitas Gunadarma

- Agustina,Cynthia.2021. Intensi Kewirausahaan Mahasiswa : Studi Perbandingan Antara Fakultas Ekonomi dan Fakultas Ilmu Komputer. Skripsi. Bekasi: Universitas Gunadarma
- Boyd, N. G., dan Vizikis, G. S. 2019. *The influence of self-efficacy in the development of entrepreneurial intentions and actions. Entrepreneurship Theory and Practice*, 18,63-90
- Hendro.2018. *How to become a smart entrepreneur and to start a new business.* Penerbit Adi. Yogyakarta.
- Indira, Christera Kuswahu. 2020. *Student Entrepreneurship Intention : Study of Comparison Between Java and Non Java.* Jurnal Manajemen. Fakultas Ekonomi. Universitas Gunadarma
- Indarti N, 2018. “Intensi Kewirausahaan Mahasiswa : Studi Perbandingan antara Indonesia, Jepang, dan Norwegia”. *Jurnal Ekonomi dan Bisnis Indonesia.* Vol.23, No.4.
- Krueger, NF and Shapero, (2020). *The cognitive infrastructure of opportunity emergence. Entrepreneurship Theory&Practice* 24: 5–23
- Segal, Gerry,Borgia and Jerry Schoenfeld. 2019. *The Motivation To Become An Entrepreneur.* International Journal of Entrepreneurial Behavior & Research.Vol. 11 No1. Emerald Group Publishing Limited. USA.
- Singgih Santoso. 2020. *Buku Latihan SPSS Statistik Parametrik.* Jakarta : PT Elex Media Komputindo Gramedia.
- Susanto, A.B. 2019. *Leadpreneurship.* Jakarta: Esensi
- Sudjatmoko, Agung, 2019. *Cara Cerdas Menjadi Pengusaha Hebat.* Jakarta:Visi Media.
- Suryana. 2018. *Kewirausahaan.*Jakarta: Salemba Empat.
- Tama,Angkiadi.2020. Analisis Faktor-faktor yang memotivasi mahasiswa berkeinginan menjadi wirausaha. Skripsi. Semarang : Universitas Diponegoro. Semarang
- Urdag,Laurence.2018. *The Basic book of Synonyms and Antonyms (newreviseded),* United States: Signet
- Wardoyo,2020. Pengaruh Pendidikan Kewirausahaan Terhadap Karakteristik Dan Kompetensi Kewirausahaan Serta Implikasinya Pada Intensi Berwirausaha Mahasiswa. Disertasi.Jakarta. Universitas Gunadarma. Jakarta
- Widhari, Cokorda istri sri., dan I ketut suarta. 2019. Analisis Faktor-faktor yang memotivasi mahasiswa berkeinginan menjadi wirausaha. *Jurnal Bisnis dan Kewirausahaan.*Vol.8 No.1 Maret 2012. Kampus Bukit Jimbaran. Bali.
- Yuyu Wirasasmita 2021. *Komunikasi Bisnis.*Jakarta: PT Gramedia Pustaka Utama