The Effect Of Family Background, Lifestyle, And Association On Interest In The Entrepreneurship Of The Young Generation (Gen-Z) In Medan City

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ABSTRACT

This study aims to determine the effect of family background, lifestyle, and association on interest in entrepreneurship in the younger generation in Medan City. Then it will be partially and simultaneously analyzed. This study uses a quantitative method with an associative approach. The sampling technique is Nonprobability Sampling and involves 100 respondents. Primary data is obtained directly by distributing questionnaires through a google form, while secondary data is obtained through a literature study. The data analysis method used is validity test, reliability test, classical assumption test, multiple linear regression analysis, and hypothesis testing. The results of this study indicate that the family background variable (X1) does not influence the interest in entrepreneurship, and the lifestyle variable (X2) and association (X3) significantly influence the interest in entrepreneurship. However, family background (X1), lifestyle (X2), and association (X3) together (simultaneously) affect the interest in entrepreneurship (Y). The coefficient of determination test shows that there is a fairly close relationship between family background, lifestyle, and association with an interest in entrepreneurship with an R-value of 0.904. Through the Adjusted R-value, it is also known that the variables of family background, lifestyle, and association with an interest in entrepreneurship contribute 81.2% while the remaining 18.8% is influenced by other variables not examined in this study.

Keywords: family backgrounds, lifestyle, association, Interest in Entrepreneurship

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INTRODUCTION

The younger generation is expected to be able to make changes (agents of change) because the younger generation is part of society that has the highest level of productivity. The role of the younger generation (gen-z) who are able to think outside the box so that they can think creatively and develop something to be more valuable. Limited job opportunities as employees are able to push the paradigm or mindset of the younger generation (gen-z) from an employee mindset to an entrepreneur mindset.

According to the best survey countries for entrepreneurship, the more entrepreneurial opportunities in a country, the better the economic climate in that country. In 2019, the Global Talent Competitiveness Index (GTCI) report focuses on global competitiveness, especially in the field of entrepreneurship, especially how entrepreneurship is encouraged, nurtured and developed around the world and how this affects the relative competitiveness of various countries. GTCI uses many objective indicators in ranking, ranging from per capita income, infrastructure, computer information technology, levels of corruption, gender and...
environmental issues, levels of tolerance, political stability to relations between the government and the business world, and many others. Based on these indicators, GTCI ranks countries with the best level of entrepreneurial global competition.

Indonesia obtained a score of 38.61 and is in the 67th position in the world in this ranking. The ranking of entrepreneurs in Indonesia is still relatively low compared to other countries, based on the Global Entrepreneurship Index (GEI) Indonesia is still ranked 75th out of 137 countries. And in the ranking of Asian countries, Indonesia is ranked 9th in a row after Singapore, Japan, Malaysia, South Korea, Brunei, China, the Philippines and Thailand.

![Figure 1. Indonesian Entrepreneurship Ratio Compared to Neighboring Countries](image)

In a country that has a good and developed economy, at least 4% of its citizens are entrepreneurs, while Indonesia only has 3.47% (World Bank, 2021). Indonesia has a great opportunity to boost economic growth through creating new entrepreneurs, increasing business scale, increasing work/entrepreneurship skills and competencies for the community, and creating jobs. Indonesia’s young population has the potential to become entrepreneurs and workers who have creative talents and are able to drive economic, socio-cultural dynamics in both urban and rural areas. One of the factors that supports the role of MSMEs in the national economy is Indonesia’s demographic bonus. And now Indonesia is entering a phase of demographic bonus. Based on BPS data, National Economy (Susenas) in 2018, Indonesia is home to 63.82 million young people. This proportion constitutes a quarter of the total population or 24.15% of a total of around 265 million people in Indonesia which, when combined with 64.19 million units of Micro, Small and Medium Enterprises, makes a major contribution to the National Gross Domestic Product (GDP).

![Figure 2 Indonesian Demographic Conditions](image)

*Source: Central Bureau of Statistics, 2020 World Economy survey results*

Forum mentioned that 35.5% of the younger generation (gen-z) aged 15-35 years in Indonesia want to become entrepreneurs in the future. This desire could be due to the rapid growth of start-up companies in recent years.

![Figure 3 Percentage of Southeast Asian Youth Who Want to Be Entrepreneurs](image)

The Medan City Cooperatives and UKM Service stated that in April 2022 the number of MSME actors was 1,717 units, namely 1,590 micro businesses, 116 small businesses, and 11
medium businesses. However, with the development of MSMEs in the city of Medan, not all districts have a great interest in business. This can be seen based on the following table:

### Table 1. Number of SMEs assisted by the Office of Cooperatives and SMEs in Medan City

<table>
<thead>
<tr>
<th>NO.</th>
<th>SUBDISTRICT</th>
<th>MSMEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sandpaper Field</td>
<td>92</td>
</tr>
<tr>
<td>2</td>
<td>Terrain Area</td>
<td>71</td>
</tr>
<tr>
<td>3</td>
<td>West Medan</td>
<td>86</td>
</tr>
<tr>
<td>4</td>
<td>New Field</td>
<td>58</td>
</tr>
<tr>
<td>5</td>
<td>Belawan Field</td>
<td>32</td>
</tr>
<tr>
<td>6</td>
<td>Medan Deli</td>
<td>64</td>
</tr>
<tr>
<td>7</td>
<td>Denai Field</td>
<td>101</td>
</tr>
<tr>
<td>8</td>
<td>Helvetian Field</td>
<td>223</td>
</tr>
<tr>
<td>9</td>
<td>Medan Johore</td>
<td>116</td>
</tr>
<tr>
<td>10</td>
<td>City Field</td>
<td>89</td>
</tr>
<tr>
<td>11</td>
<td>Labuhan Field</td>
<td>58</td>
</tr>
<tr>
<td>12</td>
<td>Medan Maimun</td>
<td>31</td>
</tr>
<tr>
<td>13</td>
<td>Medan Marelan</td>
<td>104</td>
</tr>
<tr>
<td>14</td>
<td>Field of Struggle</td>
<td>43</td>
</tr>
<tr>
<td>15</td>
<td>Petition Field</td>
<td>66</td>
</tr>
<tr>
<td>16</td>
<td>Polonia Field</td>
<td>36</td>
</tr>
<tr>
<td>17</td>
<td>Medan Sunggal</td>
<td>154</td>
</tr>
<tr>
<td>18</td>
<td>Medan Selayang</td>
<td>102</td>
</tr>
<tr>
<td>19</td>
<td>Tembung Field</td>
<td>65</td>
</tr>
<tr>
<td>20</td>
<td>Lucky Field</td>
<td>66</td>
</tr>
<tr>
<td>21</td>
<td>East Medan</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>1717</strong></td>
</tr>
</tbody>
</table>

Source: DinKopUKM KotaMedan, 2022 (processed)

With the data above, it can be seen that there are 6 sub-districts in Medan City which have the most businesses, namely over 100 business units. Medan Helvetia has 223 business units, Medan Sunggal 154 business units, Medan Johor 116 business units, Medan Marelan 104 business units, Medan Selayang 102 business units, and Medan Denai 101 business units (DinKopUKM Medan City 2022). From this, the author is interested in conducting research with the title "The Influence of Family Background, Lifestyle, and Association on Entrepreneurial Interests (Case Study in the Young Generation (gen-z) in Medan City)".

### LITERATURE REVIEW

#### Family's background

Family is two or more people who are related by blood, marriage, or adoption who live together. In the family, children are prepared to undergo stages of development as provisions when entering the adult world. The family is a social group characterized by shared living space, economic cooperation and reproduction.

The basis of a person's personality is formed as a result of a combination of inherited traits, parental talents and the environment in which he is located and develops. The first environment that gives a deep influence is the family environment itself. According to Crant (in Saeed et al, 2014) students with entrepreneurial parents will have more interest in entrepreneurship because they see their parents. This is because children who come from entrepreneurial families will have a positive and realistic view of the requirements needed to become an entrepreneur (Miettinen in Saeed et al, 2014).

Quoting the findings of Professor Albert Shapiro and Ohio University, he said that the more a person is exposed to entrepreneurship learning both through formal and informal
classes, the more likely he is to become an entrepreneur. the greater it is. Again the family plays a key role. For an entrepreneurial family background, it is certainly not difficult to introduce the business world to family members. In general, access to learn about the business world from an early age is more wide open. For this reason, when you want to start a business, family support is certainly an important thing that must be there so that interest and passion are created to create new businesses for the younger generation.

**Lifestyle**

An entrepreneurial lifestyle is identified as an individual having a business that is operated in harmony with personal values, beliefs, interests, and passions. This definition includes the individual, the effort, and the motivation for starting the business.

Some lifestyle orientations include living in resort areas, combining hobbies and work to work at home and spending more time with family. Many entrepreneurs set up a business mainly to support their lifestyle while economic profit remains at the level of secondary needs. The concept of entrepreneurship and lifestyle describes a condition in which entrepreneurs balance economic and non-economic goals or are primarily motivated by a set of lifestyle aspirations that are given higher priority than economic goals.

A lifestyle company is a business established primarily to perform activities for which the manager or owner achieves a level of activity that provides adequate income. They are individuals who seek pleasure in life more than money. They run the business where they prefer to manage their personal. Share time with family and professional time to combine work and hobbies.

The entrepreneurial lifestyle is driven by the desire to lead a respectable life, determine satisfaction in career accomplishments, and spend quality time with family and friends.

Lifestyle can be interpreted as the way in which people live their daily lives. Many experts provide an understanding of lifestyle explanations. For example, he explained that lifestyle describes the whole person who interacts with his environment. The overall picture of the self is a combination of the need for self-expression and the group’s expectations of a person and the group's expectations of a person in acting based on the prevailing norms.

Hurlock (Pratiwi Diah Tristanti, 2018) said that teenagers spend more time outside with their peers as a group, so it is understandable that the influence of peers on attitudes, speech, interests, appearance and behavior is greater than that of the family. In the field of association, this lifestyle can take the form of restrictions on close association with people of lower status.

**Association**

Association in the Big Indonesian Dictionary (KBBI) comes from the word slang which means to live in friendship or friendship. Association is one way for a person to interact with the environment. The social environment is the surrounding environment that can affect a person's life either directly or indirectly by associating or interacting between the person and others. The environment will usually influence someone in giving an assessment because someone will learn a lot from the association and gain knowledge about life values, social norms, responsibilities, morals, and the needs of other people. The size of the influence of the social environment depends on the intensity or contact of a person in that environment. A person's social environment is usually someone who has something in common, for example hobbies, vision, mission, or age.

Breadth association indicates the extent of the business network owned by an entrepreneur and the good business communication that is carried out. The extent of the association sometimes determines the success of the business. The encouragement of friends is...
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enough to contribute to the spirit of starting a business because with friends, one can talk more freely, friends can support and even help. Assistance does not have to be in the form of capital but can also provide ways to help market or help find suppliers. The better and wider a person’s social environment, the greater the support obtained so that the impact on the greater interest in entrepreneurship.

The social environment can influence a person's interests, even has a greater contribution to a person compared to the family environment because more time is spent outside the home with a social environment that has the same thoughts. If a person associates with a group of entrepreneurs, it is highly likely that person will also become an entrepreneur. According to Mahessa and Raharja (2012) apart from parental figures, figures of friends who work as entrepreneurs also affect interest in for entrepreneurship. Friends who are successful in carrying out their profession as entrepreneurs will have a positive influence on starting entrepreneurship because there is a belief that they are also capable of being successful like their friends.

Entrepreneurial Interest

Interest is a tendency that causes a person to try to find or try activities in a particular field (Sandjaja in Siswadi, 2013). In addition, interest is also seen as a form of strong attention, incentive, and deeply controls the individual to diligently carry out an activity (Meichati in Siswadi, 2013). the individual's desire to carry out business activities in totality with all the potential he has in the business.

METHODS

This study uses a quantitative method with an associative approach. The sampling technique is Nonprobability Sampling and involves 100 respondents. Primary data was obtained directly by distributing questionnaires via google form while secondary data was obtained through library research. Data analysis methods used are validity test, reliability test, classic assumption test, multiple linear regression analysis, and hypothesis testing.

Entrepreneurship comes from the word entrepreneur and business. The word wira means brave and the word effort means business. Entrepreneurs test the courage that someone has to do a business. The business takes advantage of opportunities and opportunities so that it benefits. Entrepreneurs are people who are skilled at taking advantage of opportunities in developing their business with a goal For increase his life. Furthermore, Entrepreneur is someone who has creative and innovative nature to do business so as to increase income.

Interest in entrepreneurship according to Yanto in Chresters (Wulandari, 2013) is the ability to be brave in meeting the necessities of life, advancing business or creating new businesses with the strength that is in oneself. Fuadi (Putra, 2012) explains the interest in entrepreneurship is the desire, interest, and willingness to work hard or be strong-willed to try optimally to fulfill their life needs without fear of the risks that will occur, and a strong will to learn from failure. So, the interest in entrepreneurship is something.

RESULTS AND DISCUSSION

The Effect of Family Background on Interest in Entrepreneurship in the Young Generation (Gen-Z) in Medan City

On research This family background as measured by parents’ work, parental upbringing, parental support, and parents’ economic situation shows that it does not affect the interest in entrepreneurship of the younger generation. This is proven by the value of tcount which is smaller than ttable that is equal to (0.629 <1.984), while the significant value obtained is equal to 0.531 which is greater than the alpha level, this indicates that Ho1 is accepted Ha1 is rejected.

The results of this study are in line with the results of research conducted by Ine Ruswati (2018) entitled "External Factors and Internal Factors on Interest in Entrepreneurship in Vocational School Students of the Darussalam Islamic Education Foundation Cerme Gresik"
which states that the family environment does not partially influence interest in entrepreneurship at YPI Vocational School Darussalam 1 Cerme.

The Effect of Lifestyle on Interest in Entrepreneurship in the Young Generation (Gen-Z) in Medan City

In this study, lifestyle measured by self-confidence, freedom, independent personality, and agility shows that it affects the interest in entrepreneurship of the younger generation. This is proven by the value of tcount is greater than ttable which is equal to (2.899 > 1.984), while the significant value obtained is 0.005 which is smaller than the alpha level, this indicates that Ho2 is rejected, Ha2 is accepted.

The results of this study are in line with the results of research conducted by Rizkia Satria Putranto (2018) entitled "Entrepreneur with a Lifestyle Background" which states that there is a reciprocal relationship between his lifestyle and business.

The Effect of Association on Interest in Entrepreneurship in the Young Generation (Gen-Z) in Medan City

In this study, association as measured by age similarity, similar hobbies, common goals, and familiarity shows that it affects the interest in entrepreneurship of the younger generation. This is proven by the value of tcount is greater than ttable that is equal to (5.374 > 1.984), while the significant value obtained is 0.000 less than the alpha level, this indicates that Ho3 is rejected, Ha is accepted.

The results of this study are in line with the results of research conducted by Ni Luh Putu Widhiastuti and Ni Luh Putu Sandry Dewi (2020) entitled "Interest in Entrepreneurship and Factors Influencing It" which states that there is a positive influence of the social environment on interest in entrepreneurship.

Influence of Family Background, Lifestyle, and Association on Interest in Entrepreneurship in the Young Generation (Gen-Z) in Medan City

No family background has a significant effect on the variable interest in entrepreneurship while the lifestyle and association variables have a significant effect. The results showing that the variable family background (X1), lifestyle (X2) and association (X3) jointly affect the variable interest in entrepreneurship (Y) can be seen in the results of the simultaneous test (F test) and the coefficient of determination test (R2). In the simultaneous test results (F test) it was found that family background (X1), lifestyle (X2) and association (X3) on interest in entrepreneurship (Y) showed that the fcount results were greater than the value ftable which is 143.487 > 3.09 or based on the sig value which is 0.000 more smaller than the alpha level of 0.05. These results mean that if the independent variables, namely family background, lifestyle and association increase (simultaneously) on the dependent variable, namely interest in entrepreneurship in generation Z in Medan City. Meanwhile, the results of the test for the coefficient of determination show an R value of 0.904 indicating that family background, lifestyle and association can explain the interest in entrepreneurship variable by 91.2% in influencing the variable interest in entrepreneurship. This shows that the hypothesis can be accepted where Ha4 is that there is "The Influence of Family Background, Lifestyle and Association on Interest in Entrepreneurship in the Young Generation in Medan City" which means that if the variables of family background, lifestyle and association increase, it will have a positive impact on entrepreneurial interest.

CONCLUSION

Family background variable has no significant effect on the interest in entrepreneurship carried out on the younger generation in the city of Medan. In this study, the respondents were the younger generation aged 17-25 years and who live in 6 sub-districts namely Medan Helvetia, Medan Sunggal, Medan Johor, Medan Marelan, Medan Selayang, Medan Denai.
on the answer distribution table, family background variables will affect interest entrepreneurship when combined with other variables. In the t test, the results of the tcount value are 0.531 where the tcount value is smaller than the table value of 1.984 (0.629 < 1.984) with a significance value greater than 0.05 (0.53 > 0.05) and the coefficient the regression has a positive value of 0.032 so that it can be concluded that Ho1 is accepted Ha1 is rejected.

Lifestyle variables have a significant effect on interest entrepreneurship in the younger generation in the city of Medan. In the t test, the results of the tcount value were 2.899 where the tcount value was greater than the table value, namely 1.984 (2.899 > 1.984) with a significance value less than 0.05 (0.005 < 0.05) and the regression coefficient was positive by 0.284 so that it can be concluded that Ho2 is rejected Ha2 is accepted.

The association variable has a significant effect on interest entrepreneurship in the younger generation in the city of Medan. In the t test, the results obtained are tcount values of 5.374 where the value of tcount is greater than the value of ttable which is 1.984 (5.374 > 1.984) with a significance value smaller than 0.05 (0.000 < 0.05) and a regression coefficient of 5 is positive so that it can be concluded that Ho3 is rejected, Ha3 is accepted.

Background, lifestyle, and association variables influence simultaneously to interest entrepreneurship in the younger generation in Medan City can be seen from the results of the simultaneous test (f test) and the coefficient of determination test. In the f test, the fcount value is greater than the ftable value, which is 3.09 (143.487 > 3.09) with a significance value less than 0.05 (0.000 < 0.05). Meanwhile the test results for the coefficient of determination with an R value of 0.904 indicate that background, lifestyle, and association variables can explain the variable interest in entrepreneurship by 81.2%. This shows that the hypothesis Ho4 is rejected Ha4 is accepted.

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