

## **The Role Of Millennials And Gen Z In Encouraging Entrepreneurship In Indonesia: Analysis Of Sct Theory In The Context Of Authoritative Parenting**

### **Peran Milenial Dan Gen Z Dalam Mendorong Kewirausahaan Di Indonesia: Analisis Teori Sct Dalam Konteks Pengasuhan Otoritatif**

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#### **Abstrak**

Penelitian ini bertujuan untuk mengetahui hubungan antara authoritative parenting, self-efficacy dan kreativitas terhadap kesiapan kewirausahaan pada generasi milenial dan gen Z dengan menerapkan Social Cognitive Theory (SCT). Peran pola asuh orang tua dalam membentuk sikap anak-anak, termasuk menanamkan kecenderungan kewirausahaan sejak usia dini, sangat penting. Sebanyak 250 responden terlibat dalam penelitian ini. Dengan menggunakan analisis SEM-PLS, hasilnya menegaskan setiap hipotesis yang diajukan, menawarkan wawasan yang signifikan ke dalam interaksi antara pengasuhan otoritatif, self-efficacy, kreativitas, dan kesiapan kewirausahaan. Temuan ini memvalidasi beberapa dugaan kunci yang awalnya diusulkan oleh para peneliti. Awalnya, pengasuhan otoritatif menunjukkan dampak positif dan substansial pada kesiapan kewirausahaan. Selain itu, self-efficacy dan kreativitas telah menunjukkan efek penting pada kesiapan kewirausahaan. Hasil lebih lanjut menunjukkan bahwa efikasi diri dan kreativitas secara positif dan signifikan mempengaruhi kesiapan kewirausahaan. Kesimpulan yang diperoleh dari penelitian ini menunjukkan bahwa pola asuh otoritatif dapat membentuk perkembangan karakter anak, menumbuhkan tingkat kreativitas dan kepercayaan diri yang diperlukan untuk kewirausahaan.

**Kata kunci:** kewirausahaan, efikasi diri, kreativitas, kesiapan berwirausaha, teori kognitif sosial.

#### **Abstract**

This study aims to determine the relationship between authoritative parenting, self-efficacy and creativity on entrepreneurial readiness in millennials and gen Z by applying social cognitive theory (SCT). The role of parental guidance in molding children's demeanor, including instilling entrepreneurial inclinations from an early age, is pivotal. A sample of 250 participants was engaged in this study. Employing SEM-PLS analysis, the outcomes affirm each hypothesis posited, offering significant insights into the interplay among authoritative parenting, self-efficacy, creativity, and entrepreneurial readiness. The findings validate several key conjectures initially proposed by the researchers. Initially, authoritative parenting exhibits a positive and substantial impact on entrepreneurial readiness. Moreover, self-efficacy and creativity have demonstrated notable effects on entrepreneurial readiness. Additionally, the results indicate that self-efficacy and creativity positively and significantly influence entrepreneurial readiness. The conclusions derived from this study suggest that authoritative parenting can shape a child's character development, fostering the requisite levels of creativity and confidence crucial for entrepreneurship.

**Keywords:** entrepreneurship, self-efficacy, creativity, readiness, readiness, social cognitive theory

## **INTRODUCTION**

Millennials and Gen Z have a significant role in driving entrepreneurship in Indonesia (Hussein et al., 2023). Both generations are increasingly showing great interest in developing their creative ideas and foray into the business world, both in domestic and international markets (Lesinskis et al., 2023). Although interest in entrepreneurship is increasing, In 2022, around 19.48% of youth become

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entrepreneurs, while in 2023, the number of youth entrepreneurs increases to 19%. In addition, by mid-2023, Indonesia's Central Bureau of Statistics (BPS) noted that there are more than 56 million entrepreneurs in Indonesia, with around 52 million being start-up entrepreneurs and around 4.5 million being established entrepreneurs (BPS, 2023). Nevertheless, Indonesia's entrepreneurship ratio is still at 3.47%. This figure has not reached the target of at least 4% to 12% of the population to support Indonesia's vision as a developed country in 2045. In addition, the productivity and number of Indonesian entrepreneurs is also the lowest in Southeast Asia, where Singapore has around 8%, Malaysia 5%, and Thailand 4%. Therefore, the role of the government is becoming increasingly important in supporting the development of entrepreneurship among millennials and Gen Z. The right support from the government can create a conducive environment for business growth and create new jobs.

The low interest in entrepreneurship among millennials and Gen Z can be due to the preference for finding work (Singh et al., 2023), which arises due to the perception that being an employee in a company offers greater stability and assurance than starting your own business which is considered to have a higher risk. In addition, the lack of teaching about entrepreneurship in formal education settings is also an inhibiting factor in developing entrepreneurial interests and skills among the younger generation (Bauman & Lucy, 2021). Therefore, education about entrepreneurship that starts early is considered very important in preparing millennials and Gen Z to enter the business realm. Through comprehensive education, millennials and Gen Z can gain the knowledge, skills, and experience needed to improve their readiness to face the challenges of the business world.

There are several factors that can affect an individual's readiness to start a business i.e. parenting, self-efficacy, and creativity are also important factors, which allow an entrepreneur to see opportunities that others may have missed (Jiatong et al., 2021). Creativity is also required in designing innovative products and business processes (Ahlin et al., 2014). In addition, high self-confidence can facilitate proactive steps in seizing business opportunities. Thus, education about entrepreneurship from an early age and support from parents with authoritative parenting styles can help improve an individual's readiness to start a venture (Prihatiningrum et al., 2020). This is expected to encourage entrepreneurial growth in Indonesia and prepare the younger generation to face challenges in a globally competitive business world.

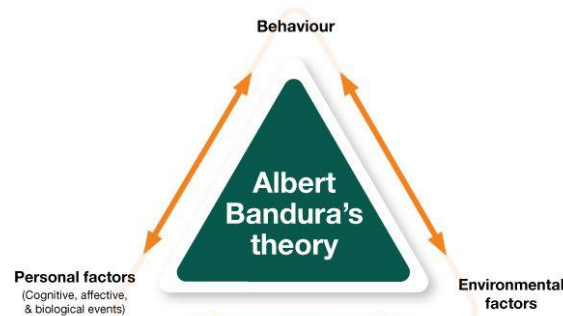
Theoretically, Social Cognitive Theory (SCT) has significant relevance in examining the relationship between authoritative parenting and entrepreneurial readiness, as well as mediating variables such as self-efficacy, and creativity (Tantawy et al., 2021). SCT emphasizes the important role of interactions between individual, environmental, and behavioral factors in shaping individual thought patterns and actions (Sáez et al., 2019). Authoritative parenting, which includes balanced aspects of support and supervision, can be understood in the context of SCT as environmental factors that influence an individual's cognitive and behavioral development (Schunk & DiBenedetto, 2021). Research by Hoskins (2014) which shows a significant contribution of authoritative parenting to students' self-efficacy in accordance with the SCT principle that individuals' experiences in social interaction can shape their self-confidence in their ability to achieve goals.

Findings by Shanine et al. (2022) linking the authoritative parenting style of the mother to the creativity of the children can also be analyzed within the framework of the SCT. SCT states that observation of other people's behaviors, such as parenting, can affect the development of individual behaviors and skills. In this case, children's observation of the mother's authoritative parenting style can affect their ability to think creatively and innovatively. However, the findings are contradictory as reported by Rachmawan et al. (2015) is also relevant in the context of SCT. SCT recognizes that environmental and individual factors can influence each other, and that not all social experiences will produce the same results. The existence of these inconsistencies highlights the complexity of the interaction between authoritative parenting and individual development, which needs to be noted in further research. Therefore, the purpose of this study is to determine the role of authoritative parenting on one's readiness to start entrepreneurship among millennials and gen Z.

## REVIEW OF LITERATURE

### *Social Cognitive Theory (SCT)*

Social Cognitive Theory (SCT), developed by Albert Bandura, posits that individual behavior is influenced by the interaction between personal factors, the environment, and behavior itself (Flores & Jansson, 2022). In this context, authoritative parenting style is one of the aspects of the environment that plays an important role in shaping individual behavior and attitudes, including readiness for entrepreneurship (Hoskins, 2014). The authoritative parenting style is characterized by the provision of clear support, direction and boundaries by parents, while giving autonomy to the child. Previous research has shown that authoritative parenting styles have a positive influence on readiness for entrepreneurship (Zhang et al., 2021). Children raised in environments with authoritative parenting styles tend to have greater self-confidence and the ability to take initiative in the face of challenges. Further, creativity and self-efficacy can act as mediators between authoritative parenting styles and readiness for entrepreneurship.



**Figure 1. Social Cognitive Theory**

Within the framework of SCT, creativity enables individuals to generate new ideas and innovative solutions in the face of business problems and opportunities (Young et al., 2014). Children raised in an environment with an authoritative parenting style tend to be encouraged to think creatively and explore possibilities in achieving their goals (Hayek et al., 2022). On the other hand, self-efficacy, or an individual's belief in his or her ability to succeed in certain situations, is also influenced by authoritative parenting styles (Liu et al., 2024). Children who get consistent support and direction from parents tend to have higher levels of self-efficacy, which in turn increases their readiness to face challenges in the business world (Liu et al., 2024). Thus, within the framework of SCT, authoritative parenting styles can have a positive impact on readiness for entrepreneurship through mediators such as creativity and self-efficacy. This shows the importance of the family environment in shaping supportive attitudes and skills in developing the entrepreneurial spirit in individuals.

### **Hypothesis development**

#### **Authoritative parenting on entrepreneurial readiness**

Research by Wang et al. (2023) found that authoritative parenting of parents positively influenced adolescent entrepreneurial readiness, emphasizing the importance of support and direction given to children in developing entrepreneurial attitudes and skills. Furthermore, studies conducted by (Haque et al., 2023) found that responsive and supportive parenting from parents has a positive correlation with entrepreneurial readiness in the younger generation, especially in terms of self-efficacy development and motivation to take risks. Similar results were also carried out by Moreno et al. (2021) Yang found that authoritative parenting that blends emotional support and clear boundaries contributes positively to adolescent entrepreneurial readiness, by fostering confidence and ability to take on challenges. Aksu & Demir (2020) found that authoritative parenting of parents has a positive impact on young people's entrepreneurial readiness, by facilitating the development of creativity, initiative, and perseverance in achieving business goals. The same thing was also found by Lavrič & Naterer (2020) · which states that authoritative parenting of parents is

positively correlated with adolescent entrepreneurial readiness, by facilitating the development of social skills, creativity, and the ability to deal with uncertainty in the business world. Based on the explanation above, the following hypothesis can be formulated:

H1: *Authoritative parenting* has a positive effect on *entrepreneurial readiness*

### **Authoritative parenting on entrepreneurial self-efficacy dan entrepreneurial creativity**

Research results from Febiyanti and Rachmawati (2021) found that children raised by parents with authoritative parenting styles tended to show higher levels of creativity compared to children raised by parents with authoritarian parenting styles. Shanine et al. (2022), states that authoritative parenting styles are characterized by emotional support and appreciation for the child's independence, and are positively associated with children's creativity levels, especially when supported by high levels of family emotional intelligence. Next Tao Wang & Fire (2022) found that authoritative parenting styles had a positive relationship with children's creativity levels, which in turn contributed to their academic achievement. Research by Liu et al. (2024) found that parents' authoritative parenting styles were positively associated with their children's creativity levels. The study suggests that consistent support and clear boundaries by parents can help build creativity in children. Research by Dong et al. (2022) shows that adolescents raised with authoritative parenting styles tend to have higher levels of creativity compared to those raised with other parenting styles. Studies conducted by Nie et al. (2022) Shows that authoritative parenting styles that include emotional support and directed supervision are positively associated with adolescent creativity in using technology productively. Based on the explanation above, the following hypothesis can be formulated:

H2: *Authoritative parenting* positively affects *entrepreneurial self-efficacy*

Research conducted by Zhou et al. (2022) found that authoritative parenting styles were positively associated with increased self-efficacy in adolescents. Wei-Wen Chen & Jiao (2022) It also found that authoritative parenting styles positively contributed to self-efficacy in adolescents through the use of self-regulated learning strategies. The same thing was also stated by Zhang & Chen (2022) ., that authoritative parenting styles are positively associated with increased self-efficacy in high school students. Research conducted by Dong et al. (2022) found that authoritative parenting that provides consistent support and direction to children was positively correlated with increased self-efficacy in adolescents. Furthermore, research by The Devil and the Beast (2022) It found that parenting involving open communication, providing emotional support, and providing autonomy to children was associated with increased self-efficacy in adolescents. Research from Li, Wu, and Li (2021) found that authoritative parenting involving providing clear rules and providing emotional support was positively correlated with self-efficacy in children. For the rest, research by Zhang & Chen (2022) . found that parenting that emphasizes responsiveness, consistency, and giving appropriate direction to children was positively correlated with increased self-efficacy in adolescents.

H3: *Authoritative parenting* has a positive effect on *entrepreneurial creativity*

### **Entrepreneurial self-efficacy and entrepreneurial creativity on entrepreneurial readiness**

Adeniyi et al. (2022) discovered that entrepreneurial self-efficacy positively and significantly impacts entrepreneurial readiness. This observation was reiterated by Cadenas et al. (2020); T.N Anisah & Andika (2023), demonstrating a significant positive correlation between entrepreneurial self-efficacy and entrepreneurial readiness. Individuals with high self-confidence levels are more likely to be well-prepared to embark on entrepreneurial ventures. Similarly, Kisubi et al. (2021) determined that entrepreneurial self-efficacy contributes positively to entrepreneurial readiness. This aligns with findings suggesting that entrepreneurial self-efficacy plays a favorable role in

entrepreneurial readiness, particularly when moderated by social support. Based on the aforementioned hypotheses, the following hypothesis is proposed.:

H4: *Entrepreneurial self-efficacy positively affects entrepreneurial readiness*

Research conducted by Cadenas et al. (2020), found that entrepreneurial creativity, especially in designing innovative products and marketing strategies, was significantly associated with the level of entrepreneurial readiness in individuals. Study by Yanto (2020) It also revealed that creativity in exploring and developing new ideas in a business context has a positive correlation with entrepreneurial readiness, including the ability to take risks and deal with uncertainty. Furthermore, the results of research by Rodriguez & Lieber (2020) · It also concluded that an individual's level of creativity in identifying and exploiting business opportunities correlated directly with their level of entrepreneurial readiness, taking into account factors such as courage, perseverance, and adaptability. The same thing was also stated by Lyons et al. (2019) who found that creativity in overcoming challenges and obstacles in starting and developing a business has a significant influence on the level of entrepreneurial readiness in individuals. Similarly, Karyantoa (2021) Creativity in formulating business strategies and developing new business models is a strong predictor of how ready a person is to start his or her own venture. Based on the above hypothesis, the following hypothesis is formulated:

H5: *Entrepreneurial creativity has a positive effect on entrepreneurial readiness*

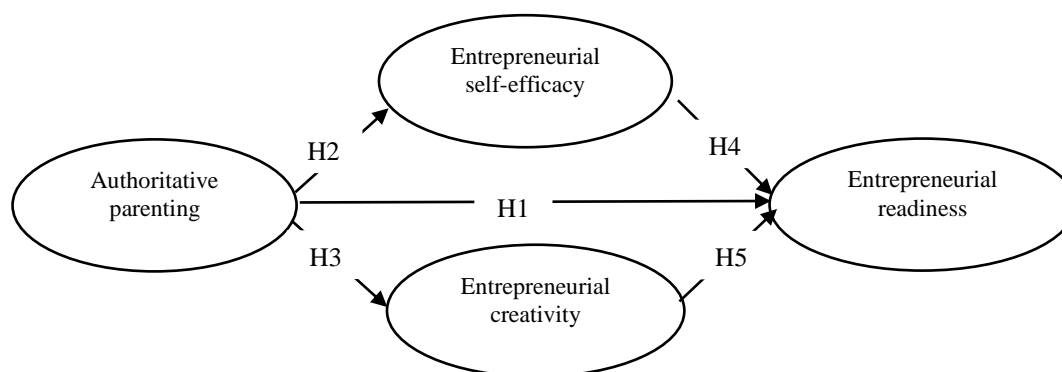


Figure 2. Research Model

## METHOD

This study was sourced from primary data obtained through questionnaires. The questionnaire will be distributed in two ways, namely online. The author will distribute most of the questionnaires online by utilizing the google form application that can be accessed through the Internet network. The google form application displays the entire research map item making it easier for respondents to respond by filling in then the data will be stored automatically in the author's google drive. Researchers set the criteria for respondents, namely men and women who are gen z and millennials with an age limit of 17 years. Millennials range in age from 25 to 40, while members of Generation Z range from 9 to 24. The respondents of this study were 250 people.

The survey utilized in this research comprises closed-ended questions, providing respondents with predetermined answer options to choose the most appropriate response. The survey will be disseminated online using Google Forms. Subsequently, a preliminary trial involving 30 participants will be conducted to assess the validity and reliability of each questionnaire item. Responses to the questionnaire items will be measured using the Likert scale, a tool commonly used to gauge individuals' attitudes, opinions, and perceptions regarding a particular phenomenon. The 5-point

Likert scale ranges from "strongly disagree," assigned a value of 1, to "strongly agree," assigned a value of 5, with intermediate values representing varying degrees of agreement or disagreement.

### Measurement

Entrepreneurial readiness is measured using a 5-point Likert scale with the question: "I intention to start-up a business initiative, I am ready to start a business" (Adeniyi et al., 2022). Authoritative Parenting was measured using a 5-point Likert scale with the question: "I am responsive to my child's feelings and needs" (Shi et al., 2020). Entrepreneurial self-efficacy is measured using a 5-point Likert scale with the question: "I am confident that I can successfully find new business opportunities" (Ning, 2022). Entrepreneurial creativity is measured using a 5-point Likert scale with the question: "I usually consider more than one solution to a problem in my business" (Shi et al., 2020).

### Respondent Classification

Respondents who participated in filling out the research questionnaire were 250 people. The demographic condition of respondents who took this survey based on gender was only 43.6% male and 56.4% female, then respondents aged <20 years as much as 5.2%, those aged 20-35 years as much as 91.2%; over 35 years old as much as 3.6%. Then, the proportion of high school education is 21.2%; Diploma (D1-D4) 1.6%; Undergraduate 68.8% and Postgraduate only 8.4%. Furthermore, judging from the status of their parents, respondents who have parents are both not entrepreneurial 40.8%, both are entrepreneurial 18.4%, one of which is entrepreneurship 40.8%. Furthermore, for the length of time respondents attended entrepreneurship education, respondents who attended entrepreneurship education for more than 1 month were 50.8%, while respondents who attended entrepreneurship education for more than 1 to 4 weeks were only 5.6%. The remaining 43.6% only attended entrepreneurship education for 1 to 7 days

## RESULTS

### Evaluation of External Models: Convergent Validity

In convergent validity assessments, we measure the correlation between indicator scores and the construct under study (Henseler & Fassott, 2010). For the indicator to be considered valid, it must have a correlation above 0.50 with the construct. Indicators that fail to meet these criteria will be excluded from the analysis. Furthermore, a loading factor value above 0.70 is considered excellent, while a value above 0.60 is great for indicating the validity of the measured construct. After conducting preliminary testing using SmartPLS, the results showed that all indicators met the convergent validity criteria because they had a loading factor value above 0.50.

Table 1. Outer Loading Value

	<b>Authoritative parenting</b>	<b>Entrepreneurial creativity</b>	<b>Entrepreneurial Readiness</b>	<b>Entrepreneurial self-efficacy</b>
1 ATP	0.776			
2 ATP	0.796			
3 ATP	0.783			
4 ATP	0.798			
1 ECR		0.844		
2 ECR		0.853		
3 ECR		0.837		

4	ECR		0.765		
1	ERD			0.815	
2	ERD			0.861	
3	ERD			0.805	
1	ESE				0.844
2	ESE				0.88
3	ESE				0.785
4	ESE				0.837

Source: Processed from SmartPLS (2024)

### Average Variance Extracted (AVE)

To evaluate discriminant validity, Average Variance Extracted (AVE) values can also be used. An AVE value greater than 0.50 indicates that the reliability of the indicator has been achieved, as presented in table 2 below.

Table 2. Average Variance Value Extracted (AVE)

	Alpha Cronbach	Composite Reliability	Average Variance Extracted (AVE)
Authoritative parenting	0.8	0.868	0.621
Entrepreneurial creativity	0.846	0.895	0.682
Entrepreneurial Readiness	0.771	0.867	0.685
Entrepreneurial self-efficacy	0.857	0.904	0.701

Source: Processed from SmartPLS (2024)

Composite reliability is used to assess the reliability of variables. If the reliability value of the composite > 0.70, this indicates that the construct has good reliability (Rambut et al., 2011). The table above illustrates that all composite reliability exceeds 0.70, indicating that all constructions have good reliability.

### Evaluate the goodness and suitability of the model

#### SRMR

Standardized Root Mean Square Residual (SRMR) is used to assess the mean difast mode between observed and expected correlations as an absolute measure of the corresponding criteria (model) (Rambut et al., 2017). Values below 0.10 are considered appropriate. The estimated model result in this study is 0.077, indicating that the model has an acceptable match. The empirical data in this study quickly explain the influence between variables in the model.

Table 3. SRMR

	Model Estimation
SRMR	0,077

Source: Processed from SmartPLS (2024)

#### R square (R<sup>2</sup>)

Rambut et al stated that qualitatively, the R-squared value can be interpreted as follows: values below 0.25 indicate low influence, 0.50 indicates moderate influence, and 0.75 indicates high influence. Based on the results of the R-squared test presented in Table 6, it can be concluded that the effect of fast fashion purchase intention on fast fashion buying behavior has a moderate influence, with a value of 0.418.

Table 4. R Square Results

	<b>R square</b>
Entrepreneurial Readiness	0.418

Source: Processed from SmartPLS (2024)

### Pls predict

Hair et al. (2017) state that PLS Predict is used as a form of validation to measure the prediction strength of the PLS method (Henseler & Sarstedt, 2013). This is achieved by comparing the PLS results with the basic model, i.e. the linear regression (LM) model. To evaluate the predictive power of a PLS model, it is important to consider the RMSE (Root Mean Square Error) and MAE (Mean Absolute Error) values of all measurement items. If the RMSE and MAE values of the PLS model are lower than that of the linear regression model, this indicates that the PLS model has high predictive power. If most measurement items have lower RMSE and MAE values, the predictive power of the PLS model is considered moderate.

Table 5. Pls predict

<b>Construct</b>	<b>PLS</b>		<b>LM</b>	
	<b>RMSE</b>	<b>MAE</b>	<b>RMSE</b>	<b>MAE</b>
ECR1	0.616	0.521	0.612	0.508
ECR2	0.672	0.553	0.674	0.545
ECR3	0.756	0.606	0.764	0.610
ECR4	0.787	0.624	0.791	0.628
ERD1	0.666	0.509	0.665	0.514
ERD2	0.843	0.683	0.841	0.678
ERD3	0.803	0.650	0.777	0.620
ESE1	0.715	0.584	0.709	0.581
ESE2	0.832	0.678	0.837	0.676
ESE3	0.660	0.548	0.666	0.551
ESE4	0.707	0.581	0.707	0.579

Source: Processed from SmartPLS (2024)

The PLS Predict test results in Table 8 show that only a few measurement items in the PLS model show lower RMSE and MAE values compared to the LM (linear regression) model. This shows that the PLS model has moderate predictive power.

### Hypothesis Testing

The bootstrap method is used to test hypotheses and determine relationships between research variables. The results of bootstrap analysis are presented in Figure 3 below.



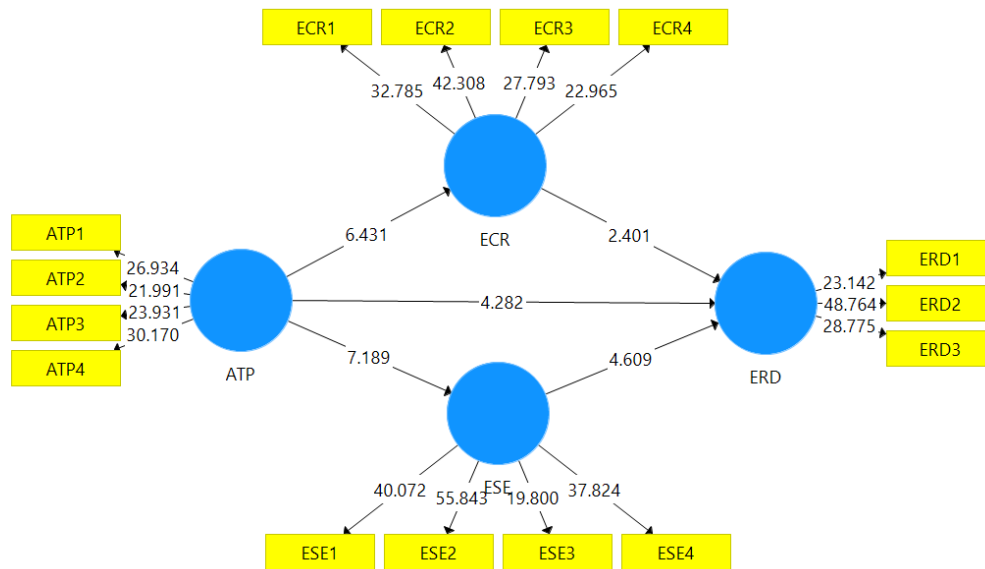


Figure 3. Bootstrap testing methods and results

### Bootstrap Testing Methods

In Partial Least Squares (PLS) analysis, bootstrapping methods are used to estimate and analyze relationships between hypothesized variables. This method uses bootstrapping techniques on data samples to produce more accurate and reliable results.

### Hypothesis Testing

Table 6. Hypothesis test results

	Original Sample	Sample Average	Standard Deviation	T Statistik	P Value	Conclusion
ATP -> ECR	0.421	0.422	0.065	6.431	0.000	Accepted
ATP -> ERD	0.26	0.257	0.061	4.282	0.000	Accepted
ATP -> ESE	0.424	0.426	0.059	7.189	0.000	Accepted
ECR -> ERD	0.167	0.167	0.07	2.401	0.016	Accepted
ESE -> ERD	0.354	0.358	0.077	4.609	0.000	Accepted

Source: Processed from SmartPLS (2024)

## DISCUSSION

The first hypothesis that authoritative parenting has a positive and significant effect on entrepreneurial readiness is significant. This can be seen because the p-value of 0.000 is less than 0.05 and the estimated positive value is 0.26. Social Cognitive Development Theory (SCT) suggests that the social environment, including parenting, has a significant impact on individual development, including in the context of entrepreneurial readiness. This finding is in accordance with the results of research from (Martínez-Cañas et al., 2023) and (Lavrič & Naterer, 2020). An authoritative parenting approach, which involves a combination of warm support and clear direction, provides a solid foundation for children to develop confidence, independence, and adaptability. Consistent support and direction from parents can help children develop a proactive attitude, balanced risk-taking abilities, and social skills necessary to navigate the challenges of the business world. Thus, logically, authoritative nurturing that supports and provides clear guidance can help create a supportive environment for the development of entrepreneurial readiness in individuals.

Hypothesis 2 which states that authoritative parenting has a positive and significant effect on entrepreneurial self-efficacy is supported. This can be seen because the p-value of 0.000 is less than 0.05 and the estimated positive value is 0.424. Social Cognitive Theory (SCT) suggests that authoritative parenting, characterized by a combination of parental support and direction and

granting autonomy to children, can shape strong self-perceptions in children. Thus, children raised with authoritative parenting tend to have high levels of self-efficacy because they are accustomed to overcoming challenges and taking initiative independently. Previous research findings also support this (Nie et al., 2022; Shanine et al., 2022), by showing that children raised in authoritative family environments tend to have high self-confidence in their ability to overcome obstacles and achieve goals, including in the context of entrepreneurship. Therefore, there is a positive and significant relationship between authoritative parenting and entrepreneurial self-efficacy in accordance with the theory and findings of previous research.

Hypothesis 3 which states that authoritative parenting has a positive and significant effect on entrepreneurial creativity is supported. This can be seen because the p-value of 0.000 is less than 0.05 and the positive estimated value is 0.421. In an authoritative parenting style, parents provide emotional support and give clear direction to children, while providing freedom of expression and developing new ideas. This finding is in accordance with the results of research from (Mpeera et al., 2021; Zhang & Chen, 2022). Thus, children who are raised in this kind of environment tend to feel more confident to explore their creative ideas, because they feel supported and valued. In addition, authoritative parenting styles also encourage children to develop skills in critical thinking and problem solving, which are important components of creativity. Therefore, it can be assumed that the adoption of an authoritative parenting style by parents will contribute positively to the development of children's creativity, including in the context of entrepreneurial creativity.

The 4th hypothesis that states that Entrepreneurial Self-Efficacy has a positive and significant effect on Entrepreneurial readiness is supported. This can be seen because the p-value of 0.000 is less than 0.05 and the positive estimated value is 0.354. This finding is in accordance with the results of research from (Adeniyi et al., 2022; Kisubi et al., 2021). The concept of self-efficacy in the context of entrepreneurship emphasizes an individual's belief in his or her ability to succeed in complex business situations. When a person believes they have the ability to identify, evaluate, and overcome the challenges associated with starting and managing a venture on their own, they tend to have a higher readiness to dive into the world of entrepreneurship. The theory of self-efficacy, as proposed by Bandura (1977), reveals that individuals' belief in their abilities influences their behavior and achievement. Empirical research also supports the positive relationship between entrepreneurial self-efficacy and entrepreneurial readiness, by showing that individuals who believe in their ability to manage entrepreneurial tasks tend to be better prepared to start ventures on their own. Therefore, this hypothesis has a solid logical basis because it is supported by established theories and consistent empirical research.

The 5th hypothesis, which states that "Entrepreneurial Creativity has a positive and significant effect on Entrepreneurial readiness", is supported. This can be seen because the p-value of 0.016 is less than 0.05 and the positive estimated value is 0.167. Entrepreneurial creativity includes the ability to generate new ideas, devise innovative solutions to problems, and see business opportunities that are invisible to others. This finding is in accordance with the results of research from (Cadenas et al., 2020; Rodriguez & Lieber, 2020). By having high creativity, individuals tend to be more open to risk, better prepared to deal with uncertainty, and better able to overcome challenges that may arise in running a business. Therefore, a high level of creativity will naturally increase one's readiness to start and manage one's own venture, according to the hypothesis proposed.

## **CONCLUSION**

Millennials and Gen Z have a significant role to play in encouraging entrepreneurship in Indonesia, showing great interest in developing their creative ideas and going into the business world. Although interest in entrepreneurship is increasing, data shows that the number of entrepreneurship in Indonesia is still below the expected target to support the country's vision as a developed country by 2045. One factor influencing the low interest in entrepreneurship is the preference to seek conventional employment, which may be due to the perception that being an

employee is more stable than starting a business on your own. The lack of education about entrepreneurship in schools is also an obstacle in developing entrepreneurial interests and skills among the younger generation. Therefore, education about entrepreneurship from an early age is considered very important in preparing millennials and Gen Z to enter the business realm.

The influence of parenting, especially authoritative parenting, on entrepreneurial readiness also has significant implications. Authoritative parenting that includes emotional support and clear direction can shape strong self-perceptions in children, increasing their self-efficacy and creativity. Thus, the adoption of authoritative parenting by parents can help create a supportive environment for the development of entrepreneurial readiness in individuals. Theoretically, Social Cognitive Theory (SCT) provides a solid foundation in understanding the relationship between authoritative parenting and entrepreneurial readiness, as well as mediating variables such as self-efficacy and creativity. Previous research also supports these findings, suggesting that authoritative parenting contributes positively to children's self-efficacy and creativity.

Furthermore, self-efficacy and creativity directly affect entrepreneurial readiness. Bandura's theory of self-efficacy and the concept of entrepreneurial creativity suggest that an individual's belief in their abilities and ability to generate new ideas is crucial in determining their readiness to start and manage a venture on their own. By having high self-efficacy and creativity, individuals tend to be better prepared to face the challenges of the business world and take proactive steps in designing innovative solutions.

In the context of entrepreneurship development in Indonesia, an emphasis on entrepreneurship education from an early age and support from parents with authoritative parenting styles can help improve the readiness of millennials and Gen Z to start a business. This is expected to help overcome the challenge of low interest in entrepreneurship and increase the contribution of the younger generation to economic growth and job creation in Indonesia.

### **Managerial Implications**

1. Expansion of Education Curriculum: Governments and educational institutions need to expand the curriculum to include entrepreneurship subjects from an early age. This will help millennials and Gen Z to develop entrepreneurial interests and skills from an early age, preparing them for the business world of the future.
2. Training Programs for Parents: Governments and non-governmental organizations can organize training programs for parents, particularly on the importance of authoritative parenting in shaping their children's entrepreneurial readiness. This can help parents understand their role in helping children develop the self-efficacy and creativity necessary to become successful entrepreneurs.
3. Partnership Formation: Educational institutions, government, and the private sector need to form partnerships to develop holistic entrepreneurship education programs. This can include the establishment of additional courses, practical training, and mentorship tailored to the needs of millennials and Gen Z.
4. Promotion of Entrepreneurial Culture: Government and mass media need to work together to promote a positive entrepreneurial culture in society. This can be done through outreach campaigns, inspiring stories about successful entrepreneurs, and awards for entrepreneurial achievements.
5. Policy Support: The government needs to implement policies that support entrepreneurial growth, including tax incentives for startups, easy access to small business funding, and provision of infrastructure that supports business development.

By taking these steps, it is hoped that Indonesia can create a conducive environment for entrepreneurial growth among millennials and Gen Z, help overcome the challenge of low interest in

entrepreneurship, and encourage the positive contribution of the younger generation to economic growth and job creation.

### **Theoretical contributions**

This research lies in a deeper understanding of the factors that influence entrepreneurial readiness in Millennials and Gen Z in Indonesia. These findings highlight the important role of parenting, especially authoritative parenting, in shaping entrepreneurial readiness through increased self-efficacy and creativity in children. Theoretically, this study links concepts from Social Cognitive Theory (SCT) theory with the context of entrepreneurial readiness, which provides a more comprehensive understanding of the interaction between individual, environmental, and behavioral factors in shaping entrepreneurial readiness. Thus, this study makes an important contribution in developing our understanding of how authoritative parenting and mediating variables such as self-efficacy and creativity play a role in shaping entrepreneurial readiness in young people in Indonesia. In addition, these findings also provide practical implications for entrepreneurship education and policy formation that supports entrepreneurship development in Indonesia, emphasizing the importance of entrepreneurship education from an early age and the role of parents in shaping a supportive environment for the development of entrepreneurial readiness in millennials and Gen Z.

### **Limitations and future research directions**

1. This study has limitations in terms of generalizing the results, as it focuses on the millennial and Gen Z population in Indonesia. Follow-up studies can expand the scope of the sample to include a wide range of age groups and socio-economic backgrounds to gain a more comprehensive understanding of the factors influencing entrepreneurial readiness.
2. Although this study has identified authoritative parenting as an important factor in the development of entrepreneurial readiness, there are still other factors that need further research. Future research could explore the role of other factors, such as organizational culture, formal education, and practical experience in influencing millennial and Gen Z entrepreneurial readiness.
3. Future studies may also explore the long-term impact of early entrepreneurship education and authoritative parenting on entrepreneurial readiness. Observing the long-term development of such interventions can provide valuable insights into their effectiveness in shaping entrepreneurial attitudes and behaviors in individuals.
4. Future research may also explore the use of different quantitative and qualitative methods to measure entrepreneurial readiness and the factors that influence it. This combined approach can provide a more holistic and in-depth understanding of the complexity of the entrepreneurial phenomenon among millennials and Gen Z in Indonesia.

Thus, further research in this field is expected to provide deeper insights on how to improve the entrepreneurial readiness of the younger generation and support economic growth and job creation in Indonesia.

### **THANKYOU NOTE**

We would like to extend our sincere gratitude to the entire supervisory team for their valuable guidance and support throughout this research. We also express our gratitude to all parties who have assisted in the research process, both directly and indirectly. Not to forget, we would like to thank LP3M Universitas Janabadra for the financial support provided, which has made this research possible. All of this assistance and support have been invaluable to the smoothness and success of our research. Thank you for your cooperation and contributions.

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