

# CHAPTER I

## INTRODUCTION

### 1.1 Background

Generation Z grew up being connected to the rest of the world through social media and online platforms in the current digital and technology era. Generation Z is distinct in their comprehension and usage of social media and online platforms since they were raised in the digital age and are accustomed to cutting-edge technology. They belong to a generation that is very linked to the outside world, spends a lot of time online, and uses social media as a tool for connection-building, interaction, and sharing of ideas.

The population of Indonesia is broken down by age in figures issued by the Badan Pusat Statistik (BPS). The 2020 Population Census produced the information in question. A more thorough understanding of Indonesia's future generation structure is given by this data. With over 74.93 million individuals, or 27.94% of the population, Generation Z those born between 1997 until 2012 dominates the figures that have been made public. These people are still in their early twenties. This supremacy raises hopes for future development and transformation.

According to Sucipta, et. al (2021), "Implementation of Hambel Behaviour in Tri Kaya Parisudha". Generation Z is a generation born in the range of 1997 to 2012 and is a transitional generation from the Millennial Generation with growing technology.

They also have excellent technology abilities since they were raised in the digital age and are accustomed to using digital tools, programs, and websites. Their technological expertise enables them to quickly adopt the most recent technology advancements and use them in a variety of commercial contexts. In addition to wanting to be autonomous and make a difference, Generation Z is very ambitious.

Strong creativity and invention are further traits that define Generation Z. They frequently take chances while investigating novel concepts, are open-minded,

and have vivid imaginations. Generation Z is able to improve established enterprises through fresh ideas and creative solutions because to their inventiveness. They frequently think outside the box and possess the ability to generate original and novel ideas.

Generation Z has a distinct advantage in seeing and seizing on available business possibilities thanks to a blend of great inventiveness and high levels of technology proficiency. They have the ability to identify emerging trends rapidly, analyze consumer data, and use practical business knowledge to create applicable marketing strategies and products. Generation Z's capacity for originality and creativity also enables them to develop a competitive edge that sets their company apart from rivals.

Generation Z's attitude on labor is significantly changing as they approach maturity. They favor being independent to working in an office setting. They have a great desire to start their own firms and become entrepreneurs. Self-employment, in the eyes of Generation Z, is a means of fusing personal interests with societal objectives and the desire to have a beneficial influence on society.

Generation Z is also aware of the advantages of expanding an already successful company. Existing firms are viewed by them as a source of useful business knowledge in addition to inspiration and role models. Generation Z may obtain a thorough grasp of marketing tactics, operational management, finance, and overall business sustainability by researching current companies.

Generation Z may recognize pertinent consumer trends and make use of current business insights to create creative and successful plans. They are aware of how critical it is to stay current with the market and adjust to shifting consumer trends in order to better and more effectively meet client wants. In general, Generation Z is a driven generation that has the ability to expand already-existing firms. They manage their enterprises in a more inventive and creative manner by utilizing technical improvements and internet connections.

The issue presented by this study is what influences Generation Z's desire to start their own business. Do they possess a strong internal motivation to start

their own company in opposition to Rohil Regency's already-existing firms owned and run by Generation Z.

Based on the problem raised in the background above, The Author conduct research with the title: "**The Influence of Entrepreneurial Intention and Business Insight on Businesses Owned and Operated by Generation Z (Case Study in Rohil Regency)**".

## **1.2 Formulation of the Problem**

Based on the above background, the authors formulate the following problems:

1. Is there an effect of generation Z entrepreneurial intention in Rohil Regency in developing existing businesses?
2. Is there a motivating influence on Generation Z in Rohil Regency to take over and operate an existing business?
3. Is there an influence of Entrepreneurial Intention and Business Insight on the Business Owned and Operated by Generation Z?

## **1.3 Purpose of the Study**

Based on the background above, the purpose of the study entitled "The Influence of Entrepreneurial Intention and Business Insight on Businesses Owned and Operated by Generation Z (Case Study in Rohil Regency)". are as follows:

1. To determine the effect of generation Z entrepreneurial intention in Rohil Regency in developing existing businesses.
2. To determine the effect of generation Z motivation in Rohil Regency in entrepreneurship and operating existing businesses.
3. Analyse the effect of Entrepreneurial Intention and Business Insight on the Business Owned and Operated by Generation Z.

#### **1.4 Significance of the Study**

The benefits to be achieved in the study entitled “The Influence of Entrepreneurial Intention and Business Insight on Businesses Owned and Operated by Generation Z (Case Study in Rohil Regency)” are as follows:

1. For Writers

This research can be used as material for experience, knowledge, and as a guide for completing the Final Project which is one of the requirements for completing Diploma IV in the International Business Administration study program, Department of Business Administration. It is hoped that this final research can be used as a means to increase the development of creativity in conducting research and author innovation.

2. For Bengkalis State Polytechnic

For the Bengkalis State Polytechnic, it is hoped that it can be a reference for other research in the future.

3. For Generation Z Entrepreneurs

The results of this study are expected to add insight for Generation Z Entrepreneurs using existing business insights to develop effective marketing strategies and relevant products.

#### **1.5 Scope and Limitation of the Problem**

Based on the background of the various problems that have been described, the author can identify the Scope of this Research focuses on exploring the factors that influence Generation Z's intention to become entrepreneurs and how they utilise business insights from existing businesses to develop their own ventures. This research specifically examines the population of Generation Z in Rohil Regency.

This research aims to investigate the motivations and drivers behind Generation Z's entrepreneurial intentions, as well as the utilisation of business insights gained from existing businesses. This research seeks to understand the factors that contribute to their entrepreneurial mindset, such as their desire for independence, creativity and social impact. In addition, this research also aims to

identify the strategies used by Generation Z in utilising business insights to identify consumer trends and develop innovative business approaches.

A limitation of this research lies in its focus on Generation Z entrepreneurs in Rohil Regency, which may not fully represent the diverse characteristics and experiences of Generation Z in other regions or contexts. The findings and conclusions of this study may not be generalisable to the entire Generation Z population. In addition, this study may face limitations in terms of sample size.

## **1.6 Writing System**

The systematics writing of the research “The Influence of Entrepreneurial Intention and Business Insight on Businesses Owned and Operated by Generation Z (Case Study in Rohil Regency)” are as follows:

### **CHAPTER I: INTRODUCTION**

This is an introductory chapter that describes the title, research background, problem formulation, research objectives, research benefits, scope and limitations of the problem and research systematics.

### **CHAPTER II: LITERATURE REVIEW**

Presenting the theoretical basis and theoretical basis used in completing the study, both general and specific theories consisting of previous research and theoretical basis.

### **CHAPTER III: METHODES AND ACCOMPLISHMENT PROCESS**

This chapter describes the research implementation method, which consists location, time and object of the study, types and sources of data, population and sample, sampling techniques, data collection techniques, data processing techniques, concept definitions and operational variable, and schedule and budget of the study.

#### **CHAPTER IV: RESULTS AND DISCUSSION**

In this chapter the author describe the discussion of the results of research that has been carried out by explaining the result of testing, discussion and limitations of research results, discussion of the results obtained is made in the form of theoretical explanations, ether qualitatively, quantitatively or statistically.

#### **CHAPTER V: CONCLUSIONS AND SUGGESTIONS**

This chapter contains the conclusions and suggestions of the research already implemented.