Will Risk Tolerance and Motivation Affect The Entrepreneurial Intention of Generation Z?

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ABSTRACT
Purpose:*This study aims to examine the effect of risk tolerance and motivation on interest in entrepreneurship in Generation Z in the new normal era. Methods: This study uses multiple regression analysis with primary data obtained from questionnaires distributed online using the Google form. The research sample was taken using a purposive sampling technique with the criteria of men and women aged 17-30 years. Data analysis: The type of research applied in this research is explanatory research by testing the hypotheses that have been formulated. Data was collected by a survey. The sampling technique used in this study is purposive sampling. The hypotheses were tested by multiple regression analysis using IBM SPSS version 22. Result and discussion: The results show that risk tolerance and motivation have a positive and significant effect on interest in entrepreneurship in the next generation. Conclusion: This research contributes to the entrepreneurship literature in explaining the factors that contribute to interest in entrepreneurship in the current new normal era. Practically, the results of this research are directed to provide input to the world of higher education in Indonesia in creating an educational atmosphere that can support students to take risks and become entrepreneurs.*

Keywords (bold, italic)*: risk tolerance, motivation, entrepreneurial intention, generation Z, new normal*

INTRODUCTION

At present the Indonesian government does not want an economy like this to continue, finally the Indonesian government implements a new policy, namely the new normal, which means that people continue to be active in the pandemic era for the sake of survival. Garaga (2017) stated that entrepreneurship is a way to increase the standard of living for those who want to become traders or laborers, in entrepreneurship the community can earn more from their own business and can open up jobs. Entrepreneurship here emphasizes those who start new businesses, but the entrepreneurial process includes all functions and actions to overcome and seize opportunities through the creation of an organization (Wahyuni, 2016).

Capital is an important thing in building a new business, large or small capital is very influential because of the number of goods traded. Building a business is not easy, especially with the new normal policies that require us to adapt again to conditions, so many new entrepreneurs are now using the online system or better known as online shops. In this new normal era, high school graduates, vocational schools and students because of the difficulty in getting jobs in this pandemic era, finally these graduate students or scholars are interested in opening new businesses or entrepreneurship. Interest is a preference for and interest in something or activity. Entrepreneurial interest is a tendency from the heart in the subject in an interest in making a business, developing, processing, An entrepreneur is someone who dares to take risks in opening a business on various occasions, an entrepreneur must be able to see opportunities and take advantage of these opportunities. Creating something new (innovation) from utilizing existing resources, with creative ideas that an entrepreneur has to be able to develop the business. In this case entrepreneurs are not easy to carry out, of course there are many risks faced and obstacles in developing these businesses entrepreneurs must always be ready to bear the existing risks. Motivation is something that causes, distributes and supports human behavior to strive to work actively and enthusiastically in order to achieve optimal results (Hasibun, 2012).

According to Subandono (2012) stating that this interest in entrepreneurship is the tendency of a person's mind to be interested in starting a business, then managing, taking risks and developing a business to start (Rezandhi, 2019). Shane, Locke & Collins (2003) state that the dimensions used to measure entrepreneurial motivation include the following: risk, tolerance for uncertainty, self-confidence (locus of control), independence, willpower, and creativity (Noviantoro, 2017). Sarwoko (2011) states that entrepreneurial intention is a tendency for individuals to take entrepreneurial actions by creating new products through business opportunities and taking risks. Venesaar (2006) states that there are three motivations for becoming an entrepreneur, namely, pursuing opportunities (more freedom of activity, having own business, more respected, being a leader in implementing new ideas, developing hobbies in business). Gratitude (becoming better, feeling challenged, motivating and guiding others, continuing family traditions, implementing ideas, being innovative, following others). Push factors (loss of job, Earning better income, dissatisfaction with job).

THEORETICAL BASE

Risk Tolerance

Risk tolerance is an acceptable level of ability in making a decision which means that a person is still willing to accept future risk tolerance in entrepreneurship. Risk tolerance is a number of negative impacts that a person dares to take in order to achieve the goals to be achieved (Lestari and Sisilia, 2016). Someone can be said to be risk averse (avoiding risks) if they only want to take opportunities without risk, while someone is said to be a risk lover (likes risk) if taking opportunities is also balanced with a high level of risk (Achmad and Putra, 2017). Wijaya in Primandaru and Andriyani (2019) states that the tendency for risk tolerance is an integral part of entrepreneurship. According to Lestari and Sisilia (2016), There are several indicators that explain the attitude of risk tolerance, namely: (1) collective, (2) responsibility, (3) likes challenges, (4) patience, (5) self-control, and (6) taking risks. Similarly, when used as a tool to predict an individual's desire to become an entrepreneur with expected risk, "the greater an individual's tolerance for risk, the greater the individual's incentive to become an entrepreneur." (Douglas and Shepherd, 1999). Adeline (2011), Mahesa and Rahardjo (2012), and Srimulyani (2014) found that the risk tolerance factor has a positive and significant effect on individual entrepreneurial interest. Entrepreneurs who are not willing to take risks will have a hard time getting started and taking control.

Motivation

Motivation is an impulse that arises in a person consciously or unconsciously to take action with a specific purpose. Motivation is a word that comes from the word motive which means the strength that exists in an individual person, makes them act or do what they want. Motives cannot be observed directly, but can be interpreted in behavior, encouragement, stimulation and power generation. The following is the definition of motivation according to experts, MC.Donald said motivation is a change in energy in a person which is marked by the emergence of feelings and reactions to achieve goals (Sardiman, 2003). AW

Factors that influence Motivation

Motivation is influenced by 2 factors, namely intrinsic factors and extrinsic factors. Intrinsic factors or internal factors do not require the emergence of stimulation from outside because it already exists within the individual. Extrinsic factors are stimuli that arise from outside a person. Motivation can be divided into 2 kinds, namely: a). Intrinsic motivation is the motivation from within or the desire of each individual that arises for a desire to be achieved, pressure, satisfaction, and deadlines, for example, are talents, interests, hopes, and needs. For example, someone who likes to read does not need stimulation from anyone or anyone else, they need and are willing to find out sources and are diligent in reading them and b). Extrinsic motivation is motivation that arises from outside one's self, there are stimuli that arise from outside the environment, extrinsic motivation is not from oneself which is only for self-satisfaction but expects something in return. For example, someone who actively practices soccer because of motivation or stimulation from prizes and championship titles.

HYPOTHESES

The effect of risk tolerance on the interest in entrepreneurship

According to research conducted by Mulyani (2014) states that an entrepreneur who has the courage to face risks is someone who always wants to win something in an appropriate way (Pratiwi and Wardana, 2016). One's victory or success can be achieved by facing all the risks that exist. This also applies in terms of entrepreneurship, namely when someone wants to do entrepreneurship, he must be willing to face existing risks (Pratiwi and Wardana, 2016). According to research conducted by Satiti and Ekowati (2014) said that the greater the risk challenges faced, the greater the success that will be achieved in entrepreneurship (Pratiwi and Wardana, 2016). Oktarilis (2012) stated that one's desire and ability to take risks is one of the main values for entrepreneurship. So, the hypothesis in this study is:

H1: Risk tolerance affects the interest in entrepreneurship.

Influence of motivation on interest in entrepreneurship

According to Sintya (2019) that motivation in entrepreneurship that a person has is not a law that is possessed from birth, but can be trained and also developed within a person. Gerungan (2010) adds that motivation in entrepreneurship is an impulse that arises in a person's personality to take an action related to entrepreneurial activities (Sintya, 2019). Based on this explanation, the higher the motivation in entrepreneurship in a person, the higher the person's interest in entrepreneurship, and the absence of this motivation will also affect his interest in entrepreneurship (Sintya, 2019). Motivation can be strength, power, strength, or complex circumstances that consciously and unconsciously motivate an individual to move towards a certain goal (Makmun, 2003). Baum, Frese, and Baron (2007) said that the motivation of the entrepreneurial spirit includes motivation aimed at achieving entrepreneurial goals, including goals, including implementing and exploiting business opportunities. Therefore, the hypothesis in this study is:

H2: Motivation influences the interest in entrepreneurship.

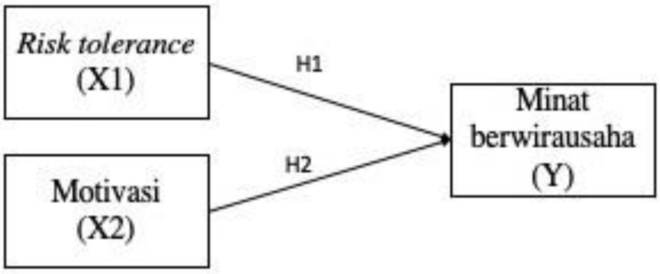

Image 1. Research Model

METHODS

Sample and Research Data

Research Population

Sugiyono (2019) population is a place or area that is generalized and several objects or subjects with their qualities and characteristics can be determined by researchers to investigate and draw conclusions (Edward and Ruslim, 2021). The population in this study are people who live in Yogyakarta.

Research Sample

Sugiyono (2019) the sample is the selected number of the observed population (Edward and Ruslim, 2021). Nonprobability sampling is a purposive sampling used as a sample for this study with certain considerations. This research sample is:

a. Indonesian citizens domiciled in Yogyakarta
b. men and women aged 17-30 years or generation Z

The sample in this study uses a reference from Roscoe (1975) in (Sekaran, 2006) where the sample is determined, namely: most studies above 30 and less than 500 is the right sample size, sub sample (female/male, senior/junior, etc.)) if broken down with a minimum sample size of 30 each category is appropriate, and the sample size should be 10x larger than the number of variables in a multivariate study. Based on these references, this study used 100 respondents in the study.

Data source

Sugiyono (2016) states that primary data is original data that the author gets directly when conducting a study. This study uses primary data types obtained directly from respondents who are samples in the study.

Data collection

In conducting a research the data collection process is a very important part, because the data obtained will be processed by the author, to get conclusions in research (Sugiyono, 2016). The data from the research will be obtained by the authors from the results of the questionnaire. The questionnaire will be distributed by the author by sending the questionnaire link online using the Google form. Questionnaires are distributed online to make it easier for writers to get the data collection process. Questionnaires for data collection use a Likert scale to measure variables. Sugiyono (2016) mentions a Likert scale a measure used to measure a person's opinion by forming a numerical value according to the questionnaire data.

Analysis Methods and Techniques

Research Instrument Test

Validity test

In a research validity test needs to be done because to ensure the statements in the 30 questions of the questionnaire can explain the dimensions to be measured. The instrument that will be used by researchers is to test using the instrument validity test, the sig value level is 0.05. According to (Sugiyono, 2007) an item is said to be valid if the coefficient between items with the number of items is ≥ 0.5 and if the correlation value is <0.5 then the item is said to be invalid.

Reliability Test

The reliability test was carried out by the writer for the purpose of testing the questionnaire that the writer would use whether it was reliable or not (Sugiyono, 2016). In conducting this test using the value of Cronbach Alpha. Algifari (2016) states that the question items in a questionnaire data are declared reliable. An instrument is said to be reliable if the Cronbach's Alpha value is > 0.600 and if the Cronbach's Alpha value is ≤ 0.600 then it is declared unreliable.

Test Models

Simultaneous Test (Test F)

Algifari (2017) states that the model quality test is used to determine whether the model can be used to describe the relationship between the independent variables and the dependent variable. The degree of significance used is 0.05. The model can be used if the Sig value < 0.05. In SPSS the F test analysis is presented in the "ANOVA" table

Coefficient of Determination

The coefficient of determination in a study is used to see the ability of the independent variables to explain the variation of the dependent variable. The value of the coefficient of determination ranges from zero to one expressed in percent (%). The size of the R square value indicates the ability of the independent variable to explain the variation of the dependent variable.

Hypothesis testing

Multiple Regression Analysis

Multiple regression analysis in a study is used to test the effect of more than 2 independent variables on the opposite variable, namely the dependent variable (Algifari, 2017). The multiple regression test in this study aims to test the hypothesis that has been described by the author, namely the effect of risk tolerance and motivation on interest in entrepreneurship.

Partial Test (t test)

The partial test in a study aims to test how much influence is exerted by the independent variables to identify variations in the dependent variable separately or partially (Ghozali, 2018). A significance value <0.05 indicates that the hypothesis proposed by the author is acceptable, but if the significance value is >0.05 it indicates that the hypothesis proposed by the author is rejected.

RESULTS AND DISCUSSION

Respondent Characteristics

From the results of distributing the questionnaires, an overview of the characteristics of the respondents who were the sample in this study was obtained. The characteristics of the respondents in this study were gender, level of education and age.

Characteristics of Respondents Based on Gender

Table 1 Characteristics of Respondents by Gender

Age of Respondents	Amount	Percentage
Man	37	37%
Woman	63	63%
Total	100	100%

Source: author's data processing

Based on the data above, it is known that out of 100 respondents, 37 respondents or 37% were male. While 63 respondents were female.

Characteristics of Respondents Based on Education

Table 2 Characteristics of Respondents Based on Education

Age of Respondents	Amount	Percentage
SMA/SMK	37	37%
Diploma	10	10%
S1	53	53%
Total	100	100%

Source: author's data processing

Based on the data above, it is known that most of the respondents had bachelor degree education, namely 53 respondents or 53%, while those with high school/vocational school education were 37 respondents or 37% and those with diploma education were 10 respondents or 10% of the total 100 respondents.

Characteristics of Respondents Based on Age

Table 3 Characteristics of Respondents by Age

Age of Respondents	Amount	Percentage
18-23 Years	75	75%
24-28 Years	25	25%
Total	100	100%

Source: author's data processing

Based on the data above, it is known that there are 75 respondents aged 18-23 years or 75%. While respondents aged 24-28 years were 25 people or 25% of the total 100 respondents.

Instrument Test

Validity test

Table 4 Test the Validity of Research Variables

Variable	Research Items	Pearson Correlation	Sig. (2-tailed)	Information
Risk Tolerance(X1)	X1.1	0.701	0.000	Valid
	X1.2	0.738	0.000	Valid
	X1.3	0.781	0.000	Valid
	X1.4	0.764	0.000	Valid
	X1.5	0.516	0.000	Valid
	X1.6	0.696	0.000	Valid
Motivation (X2)	X2.1	0.677	0.000	Valid
	X2.2	0.633	0.000	Valid
	X2.3	0.625	0.000	Valid

	X2.4	0.661	0.000	Valid
	X2.5	0.494	0.000	Valid
	X2.6	0.573	0.000	Valid
Interest in entrepreneurship (Y)	Y1.1	0.828	0.000	Valid
	Y1.2	0.786	0.000	Valid
	Y1.3	0.682	0.000	Valid

Source: author's data processing

Based on the results of the validity test, it was obtained that the Pearson correlation value for each item in the research variable was more than 0.05. So it can be concluded that the items in this study are valid.

Reliability Test

Table.5 Reliability Test

Variable	Assess Cronbach's Alpha	Information
risk tolerance	0.791	Reliable
Motivation	0.662	Reliable
Entrepreneurial interest	0.650	Reliable

Source: author's data processing

From the test results in the reliability table it is known that the value of Croncbach's alpha for each variable has a value of > 0.600so that it can be concluded that all variables are declared reliable and the questionnaire data obtains stable data.

Test Models

F test

Table 10 Test F

F grade	Sig. Value	Information
17.405	0.000	Independent Variable Simultaneously significant influence on the dependent variable

Based on the table above, it is known that the sig value <0.05 so that it can be said that the risk tolerance and motivation variables simultaneously have a significant effect on the interest in entrepreneurship variable.

Coefficient of Determination (R2)

Table 11 Coefficient of Determination

R value	R Square value	Adjusted R square value
0.514	0.264	0.249

Source: author's data processing

Based on the table above, it is known that the Adjusted R-Square value is 0.264, so it can be said that the risk tolerance and motivation variables can simultaneously explain the variation in changes in the variable interest in entrepreneurship by 24.90%, the remaining 75.20% is explained by other variables not included in the study this.

Hypothesis testing

T Test (Partial)

Table 13 T test

Variable	B grade	sig. value	Information
Risk Tolerance	0.162	0.003	Positive and Significant Influence
Motivation	0.126	0.032	Positive and Significant Influence

Source: author's data processing

Based on the t test table above, it can be seen:

1. The risk tolerance variable has a β value of 0.162 and a significance value of 0.003 > 0.05. So it can be concluded that the hypothesis (H1), namely risk tolerance has a positive and significant effect on interest in entrepreneurship.
2. The motivation variable has a β value of 0.126 and a significance value of 0.032 > 0.05. So it can be concluded hypothesis (H2) that motivation has a positive and significant effect on interest in entrepreneurship.

Discussion

The Effect of Risk Tolerance on Entrepreneurial Interests

According to the results of the study, the risk tolerance variable has a positive and significant influence on the interest in entrepreneurship. This result is supported by a statement from Mulyani (2014) which states that an entrepreneur who has the courage to face risks is someone who always wants to win something in a proper way. One's victory or success can be achieved by facing all the risks that exist. This also applies in terms of entrepreneurship, namely when someone wants to do entrepreneurship, he must be willing to face existing risks (Pratiwi and Wardana, 2016). The results of this study are in line with research conducted by Oktarilis (2012) that a person's desire and ability to take risks is one of the main values for entrepreneurship.

The Effect of Motivation on Entrepreneurial Interest

Based on the results of the study, it shows that the motivational variable has a positive and significant influence on the interest in entrepreneurship. Sintya (2019) states that the higher the motivation in entrepreneurship in a person, the higher the person's interest in entrepreneurship, and the absence of this motivation will also affect his interest in entrepreneurship. The results of this study are in line with research conducted by (Gerungan, 2010) motivation in entrepreneurship is an impulse that arises in a person's personality to take an action related to entrepreneurial activities (Sintya, 2019)..

CONCLUSION

Based on the results of the research, the conclusions in this study are

1. *risk tolerance*positive and significant effect on the interest in entrepreneurship
2. Motivation has a positive and significant effect on entrepreneurial interest.

Suggestion

Suggestions for this research are

1. Based on the results of the research obtained, it is hoped that it can be an illustration for people who have the goal of going into the business world, namely by paying

attention to risk tolerance and motivation so that they can increase interest in entrepreneurship.

2. Because in this study only uses risk tolerance and motivation for the independent variables in influencing the variable interest in entrepreneurship. So it is hoped that future researchers will include other variables that affect interest in entrepreneurship.

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