

The Role of Entrepreneurship Education in Increasing Entrepreneurial Interest Among Generation Z: Strategies for Developing Entrepreneurial Competence

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Abstract:

Generation Z is a group that grew up in the digital era with creative, flexible, and tech-savvy characteristics. However, entrepreneurial interest among this generation remains relatively low due to fear of failure, limited experience, and insufficient knowledge in starting a business. This article aims to analyze the factors that can foster entrepreneurial interest among Generation Z using a literature review research method. The review findings indicate that early entrepreneurship education, utilization of digital technology, business training and mentoring, as well as family and government support are effective strategies. Innovation and creativity are also key elements in encouraging Generation Z to create new business opportunities, with the hope that they can grow into independent, innovative, and competitive young entrepreneurs in the era of globalization.

Keywords: Gen Z, entrepreneurship, entrepreneurial interest, educational strategy, digitalization.

Introduction

The rapid advancement of information and communication technology has transformed many aspects of daily life, including the fields of economics and business. In today's digitally driven era, the opportunity to become an entrepreneur is increasingly accessible to anyone who can effectively utilize technology. Generation Z, born between 1997 and 2012,

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is considered the generation most capable of responding to these changes. This generation grew up in an environment deeply familiar with the internet, giving them tremendous capacity to become adaptive, creative, and innovative entrepreneurs (Manoma & Muhammad, 2025). Moreover, Generation Z is known for being socially and environmentally conscious, with a global and open-minded perspective. This positions them as a generation capable of leading and contributing to sustainable development goals in Indonesia (Arifin & Nuringsih, 2024).

Despite Generation Z's considerable entrepreneurial potential, their actual interest in running their own businesses remains relatively low. Various obstacles hinder them, such as fear of failure, lack of startup capital, limited entrepreneurial knowledge, and the perception that being an entrepreneur is less prestigious than being an employee. Therefore, appropriate strategies are needed to cultivate entrepreneurial spirit among Generation Z. One proven contributing factor is digital literacy — the ability to use technology and digital information effectively to acquire, process, and apply it (Wulandari et al., 2024). With sufficient digital skills, Generation Z can identify business opportunities and market products through various digital media, as well as enhance business visibility through online stores and internet advertising (Ramdhani & Madani, 2023).

In addition to digital literacy, entrepreneurial knowledge, education, and innovation also influence the creativity and entrepreneurial desire of Generation Z. Entrepreneurial knowledge enables individuals to identify and capitalize on business opportunities, while entrepreneurship education helps shape the mindset, skills, and competencies needed. Innovation facilitates the generation of new ideas that can add greater value to managed businesses. Research demonstrates that all three factors have a positive and significant impact on creative entrepreneurial ability among Generation Z (Arifin & Nuringsih, 2024). Based on this, the present study aims to analyze effective strategies for increasing Generation Z's interest in entrepreneurship, with the goal of contributing meaningfully to strengthening the digital entrepreneurship

ecosystem and shaping Generation Z as competent and internationally competitive young entrepreneurs.

Method

This article was developed by reviewing information from relevant scientific literature, including journals, books, articles, and statistical data pertaining to Generation Z entrepreneurship, entrepreneurship education, creativity, innovation, and digital technology advancement (Mulyatun et al., 2025; Putri, 2023). This study employs a qualitative approach with a descriptive-analytical method, in which data were gathered from various literature sources, then systematically collected, filtered, and analyzed to achieve a deep understanding of strategies to increase entrepreneurial interest among Generation Z (Mulyatun et al., 2025).

The theoretical framework is grounded in the Theory of Planned Behavior (Ajzen, 1991), which explains that an individual's intention to become an entrepreneur is influenced by their attitude, subjective norms, and perceived behavioral control (Jefry & Soelaiman, 2023; Mulyatun et al., 2025). The concept of self-efficacy proposed by Bandura (1997) explains that an individual's belief in their own capabilities plays a significant role in driving entrepreneurial behavior (Jefry & Soelaiman, 2023). Research by Jefry and Soelaiman (2023) showed that locus of control, need for achievement, risk tolerance, and entrepreneurial readiness all positively influence entrepreneurial interest among Generation Z in Jakarta. Digital entrepreneurship theory highlights the role of technology and social media as driving factors in the development of modern business ecosystems, while the concept of creativity and innovation views the ability to create new value as the primary competency of an entrepreneur (Jefry & Soelaiman, 2023).

Results and Discussion

Results

Factors Influencing Generation Z's Entrepreneurial Interest

Internal factors are among the primary elements influencing Generation Z's entrepreneurial interest. Self-confidence, or self-efficacy, has a positive and significant impact on the desire to become an entrepreneur, as those who believe in their abilities are more willing to face challenges and take risks in running a business (Jessica & Nuringsih, 2025). Beyond self-efficacy, personality traits, spiritual intelligence, and the need for achievement also significantly influence Generation Z's entrepreneurial interest. However, Adversity Quotient and Emotional Quotient have not been proven to have a significant influence (Muttaqiyathun & Nurmaya, 2021). Entrepreneurial motivation is also a primary driver of Generation Z's willingness to start a business, with internal drive and personal intention playing crucial roles in increasing their entrepreneurial readiness (Allaeda & Soenhadji, 2026).

Entrepreneurship education and entrepreneurial culture play a crucial role in sparking entrepreneurial interest among Generation Z, though research results may vary. Entrepreneurial culture has been proven to positively impact entrepreneurial interest by promoting innovative, creative, and proactive thinking, and creating an inspiring environment through role models and access to entrepreneurial resources (Jessica & Nuringsih, 2025). Entrepreneurship education significantly influences Generation Z's entrepreneurial intention in Depok, as it enhances knowledge and understanding of business opportunities (Allaeda & Soenhadji, 2026). However, the situation differs in West Jakarta, where entrepreneurship education does not show a significant influence because teaching methods remain theory-focused without direct practical experience, leading students to lack concrete entrepreneurial experience (Jessica & Nuringsih, 2025).

External environmental factors also play an important role in shaping entrepreneurial interest among Generation Z. The family environment has been shown to have a positive and significant impact, as parenting approaches, emotional support, and values instilled by the family build the courage and spirit of children to start businesses (Allaeda & Soenhadji, 2026). Research conducted in Medan also found that social, personal, and psychological aspects are key elements in Generation Z's business decisions, with psychological aspects including motivation, learning, and perspectives that all meet construct validity criteria (Pohan & Rialdy, 2024). Additionally, digital independence is important for Generation Z in this technological era, as those with high digital independence tend to be more willing to take risks and develop businesses in the digital space, though gaps in technology access based on socioeconomic background must still be addressed through digital-based educational approaches (Noviyanti et al., 2024).

Utilization of Technology and Digital Media in Entrepreneurship

Digital technology advancements offer many entrepreneurial opportunities, especially for Generation Z, who grew up alongside the development of the internet and social media. This generation excels in understanding and using digital technology for various economic activities, including launching digital platform-based businesses. Surveys show that 60% of Generation Z falls in the high digital literacy index category, far exceeding older age groups (Effendy et al., 2025). Platforms such as Instagram and TikTok have become primary channels for Generation Z to start businesses, providing access to large markets at relatively affordable advertising costs (Radianto et al., 2023). In Indonesia, with more than 215 million internet users, the digital ecosystem presents highly attractive business opportunities for technologically savvy and innovatively spirited young people.

Generation Z prefers technology-based business types, such as e-commerce, freelance work, and digital content creation as their primary entrepreneurial avenues (Effendy et al., 2025). This preference stems from the freedom in time management, control over work processes, and the

ability to reach customers across regions directly. However, despite Generation Z's sound technical digital literacy, their formal participation in the SME sector remains low at only around 1.7% of total business actors. Therefore, training that incorporates social media and digital entrepreneurship simulations has proven highly effective in increasing entrepreneurial interest, with results showing a 20% increase in interest following entrepreneurship training programs (Radianto et al., 2023).

Strategies for Cultivating Creativity and Entrepreneurial Spirit in Generation Z

Creativity is a vital foundation for building entrepreneurial spirit in Generation Z in today's digital age. One strategy that has proven effective is utilizing digital platforms such as Instagram and TikTok as marketing tools and for building an authentic brand identity (Akmalia & Novita, 2025). Generation Z has demonstrated the ability to naturally integrate technology into business, making creativity the primary appeal of their products amid intense competition. Storytelling and visual identity design can also serve as effective means of building emotional connections with customers. Generation Z entrepreneurs use social media as their primary marketing tool, engaging in two-way interactions that build consumer loyalty based on shared values, not just price or product function (Akmalia & Novita, 2025).

Entrepreneurial knowledge, education, and innovation have genuinely proven to have a positive and significant impact on the creative abilities of Generation Z entrepreneurs. This is evidenced by SEM testing with an R-square value of 0.657, indicating that the higher the entrepreneurial knowledge and education level received by Generation Z, the greater the likelihood of creativity emerging (Arifin & Nuringasih, 2024). Entrepreneurship seminars and training at schools have succeeded in shifting participants' mindsets from job seekers to job creators, while also building self-confidence and risk-taking abilities in business (Andari, 2024). With strong mental resilience, creativity, and technology-backed capabilities, Generation Z has the potential to become a more effective and sustainable economic driver.

Discussion

Factors Influencing Entrepreneurial Interest Among Generation Z

Internal factors are among the primary elements shaping entrepreneurial interest in Generation Z. Self-efficacy has been shown to have a positive and significant effect, as individuals who believe in their capabilities tend to be more ready to face challenges and take risks in running a business (Jessica & Nuringsih, 2025). In addition, personality traits, spiritual intelligence, and the need for achievement also demonstrate considerable influence over entrepreneurial interest in this generation. On the other hand, Adversity Quotient and Emotional Quotient do not show significant effects on entrepreneurial interest (Muttaqiyathun & Nurmaya, 2021). These results indicate that not all internal intelligence aspects automatically drive individuals toward entrepreneurship, necessitating deeper understanding of which internal variables are most relevant in the context of young entrepreneur development.

Entrepreneurial motivation has emerged as the single most influential key element on Generation Z's desire to become entrepreneurs. Internal drive and personal intention greatly influence Generation Z's readiness to start a business (Allaeda & Soenhadji, 2026). Research shows that the entrepreneurial motivation variable has the highest beta coefficient compared to other variables, affirming that internal drive and spirit are the primary movers of entrepreneurial desire. Beyond motivation, other psychological factors such as desire, learning experiences, and perspective also satisfy construct validity criteria in influencing Generation Z's business decisions in Medan (Pohan & Rialdy, 2024). Therefore, overall strengthening of psychological factors is an important step for educational institutions and the government in promoting entrepreneurial interest among Generation Z.

External factors, particularly family background, also play an important role in influencing entrepreneurial interest in Generation Z.

Parenting styles, emotional support from family, and values taught from an early age have been proven to develop children's courage and motivation to start businesses (Allaeda & Soenhadji, 2026). Research conducted in Depok shows that the family environment has a positive and significant separate impact on entrepreneurial intention, with respondents stating that family upbringing helps build courage in facing entrepreneurial challenges. Furthermore, the level of digital independence reinforces entrepreneurial interest, with Generation Z who have high digital independence tending to become more confident in taking risks and developing businesses on digital platforms (Noviyanti et al., 2024). However, disparities in technology access based on socioeconomic conditions remain a challenge that must be addressed through inclusive and equitable digital education approaches.

Utilization of Technology and Digital Media in Entrepreneurship

Digital technology advancements create many business opportunities, particularly for Generation Z who grew up alongside the advancement of the internet and social media. This generation possesses superior ability in recognizing and leveraging digital technology for various economic activities, including launching digital platform-based ventures. Research indicates that approximately 60% of Generation Z falls in the high digital literacy category, far exceeding older age groups (Effendy et al., 2025). This makes Generation Z a key player in Indonesia's continuously growing digital economy ecosystem. With more than 215 million internet users in Indonesia, the digital ecosystem offers highly attractive business opportunities for technologically skilled and innovatively spirited youth to create new, sustainable economic value.

Social media platforms such as Instagram and TikTok have become primary channels for Generation Z to start and develop businesses, providing access to large markets at relatively affordable marketing costs, enabling young entrepreneurs to compete without large capital (Radianto et al., 2023). Generation Z tends to prefer technology-based business types such as e-commerce, freelance work, and digital

content creation as their main business approaches (Effendy et al., 2025). This interest arises from flexibility in time management, control over work processes, and the ability to reach customers across regions directly and efficiently. The combination of freedom and broad market reach makes digital entrepreneurship an extremely attractive career choice for Generation Z who emphasize workplace flexibility.

Despite Generation Z's strong technical digital literacy skills, their formal participation in the SME sector remains low at only around 1.7% of total entrepreneurs. This indicates a gap between capability and actual entrepreneurial action that must be addressed. Training combining social media and digital entrepreneurship simulations has proven highly effective in increasing entrepreneurial interest, with results showing a 20% increase in interest following entrepreneurship training programs (Radianto et al., 2023). Generation Z still needs strengthening in digital risk management, content ethics, and digital revenue generation strategies. Practical training using real business simulations in a digital environment would be the best approach to bridge this gap and encourage Generation Z to become more involved in formal entrepreneurship.

Strategies for Cultivating Creativity and Entrepreneurial Spirit in Generation Z

Creativity is a vital foundation for building entrepreneurial spirit in Generation Z in today's digital era. One approach that has proven effective is using digital platforms such as Instagram and TikTok as promotional tools and a means to build an honest and strong brand identity (Akmalia & Novita, 2025). Generation Z demonstrates the ability to naturally integrate technology into business, making creativity the primary factor in making their products attractive amid increasingly fierce competition. Good storytelling and visual identity design can serve as effective tools to build emotional bonds with customers. Generation Z entrepreneurs use social media as their primary marketing tool, engaging in two-way interactions that build customer trust and loyalty

based on shared values, not just price or product function (Akmalia & Novita, 2025).

Entrepreneurial knowledge, education, and innovation genuinely have a positive and significant impact on the creative abilities of Generation Z entrepreneurs. Structural Equation Modeling (SEM) test results show an R-square value of 0.657, indicating that the better the entrepreneurial knowledge and education level received by Generation Z, the greater the likelihood of developing creativity in entrepreneurship (Arifin & Nuringsih, 2024). Entrepreneurship education provides explanations and materials that help individuals understand and apply the skills and methods aimed at creating value in running a business. Entrepreneurial innovation has a good and significant impact on creativity, as innovation encourages businesses to continuously create new products, technologies, or services that can ensure sustained growth and business continuity in a competitive and constantly changing environment.

Entrepreneurship seminars, training, and socialization activities at universities have successfully transformed participants' mindsets from job seekers to job creators. These activities also build Generation Z's confidence and risk-taking ability in business (Andari, 2024). Digital entrepreneurship socialization held at Hein Namotemo University showed great interest from participants and successfully increased Generation Z's understanding of using digital technology to create business opportunities (Manoma & Muhammad, 2025). Generation Z activation through SME digitalization in Kapanewon Moyudan demonstrated that digitally proficient young people can make real contributions in promoting SME products to broader markets (Ramdhani & Madani, 2023). With strong mental resilience, creativity, and good technological skills, Generation Z has a significant opportunity to become a sustainable economic driver for Indonesia.

Conclusion

Based on the research results and discussion, it can be concluded that Generation Z's interest in entrepreneurship arises from the complex

interaction of various internal and external factors. Internally, factors such as work ethic, self-confidence, and the desire to achieve success are the primary reasons for entrepreneurial intent. Externally, family support, the surrounding environment, and an entrepreneurial culture play important roles in shaping their courage and mindset. However, the success of entrepreneurship education greatly depends on its teaching approach; if only theory-based without practice, results will be limited, necessitating methods that provide hands-on experiential learning.

Generation Z's primary advantage lies in their technological capabilities and digital independence, making them more inclined toward digital platform-based business models, e-commerce, or creative work through social media. Nevertheless, there is a clear gap between digital capability and entrepreneurial action, as evidenced by Generation Z's low formal participation in the SME sector at only 1.7%. This demonstrates that technical skills alone are insufficient; Generation Z still needs strengthening in digital risk management, business ethics, and revenue generation strategies.

Furthermore, creativity and innovation implemented alongside practical entrepreneurship education have proven highly effective in strengthening Generation Z's mental resilience and ability to create business opportunities. Training programs, digital business simulations, and interactive socialization have proven capable of transforming Generation Z's mindset from job seekers to job creators. Therefore, increasing entrepreneurial interest requires a comprehensive approach through collaboration among family, schools, and government. A supportive ecosystem — including real training and inclusive mentoring — is essential for Generation Z to develop into independent, resilient, and competitive young entrepreneurs who can meaningfully contribute to the growth of Indonesia's digital economy in the era of globalization.

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