



LITERATURE REVIEW OF ENTREPRENEURIAL TRENDS IN THE INDONESIAN YOUNG GENERATION

BY

Mohamad Rizan^{1*}, Efriyani Sumastuti², Heri Prabowo³, Agung Kresnamurti⁴, Farah Chalida Hanoum⁵, Raka Pria Anugrah⁶, Amirah Kamila Safitri⁷, Muhamad Akbar Fauzan⁸, Siska Febriani⁹, Istikhomah¹⁰

^{1,4,5,6,7,8}Faculty of Economics, Jakarta State University

^{2,3,9,10}Faculty of Economics Business, UPGRIS University



Article History

Received: 03/08/2023

Accepted: 02/12/2023

Published: 09/12/2023

Vol – 2 Issue – 12

PP: -48-53

Abstract

Entrepreneurship is the process of identifying and developing a vision that will be brought to life. An entrepreneur must have the ability to innovate and create something. The era of globalization with a digital system has started. This is a sign of free trade between countries in the world becoming unlimited. For this reason, as an entrepreneur, people have great opportunities to develop business ventures. This means that the number of competitors is also increasing. Therefore, business strategy is an important thing that must be made in order to win in the face of business competition. What is worrying is that not all entrepreneurs understand these changes, especially for conventional business actors. Many of them have not made changes and have experienced a decrease in income, the digital era which should be an opportunity is actually a threat to people. For this reason, a step change is required, one of which is through a business strategy of Transformation from Conventional to Digital. The emergence of motivation for entrepreneurship in a person when that person has a strong intention to have income. Regarding the importance of entrepreneurship, especially during the Covid-19 period in such condition, digital technology is one of the opportunities to start a new business and create competence in the digital entrepreneurial ecosystem. Moreover, digital technology is not only for starting a new business, but also a tool for running an existing business, with the help of digital technology, entrepreneurs become easier to promote the products. In addition, digital technology as an opportunity to get better performance results. The methods used to conduct studies are vary. Therefore, there is a need for a literature review that can summarize the various studies and conclusions that have been obtained. The summary will be able to help policymakers and other researchers in formulating policies and compiling better studies to increase understanding of entrepreneurial interest as a whole. This article aims to summarize the articles (12 articles) that have studied entrepreneurial interest in the context of young generation in Indonesia.

Keywords: Entrepreneurial interest, entrepreneurship, conventional, digital, Covid-19 pandemic

INTRODUCTION

In December 31, 2019, China reported for the first time that there was a new disease and the World Health Organization (WHO) office in China was notified about a type of pneumonia. This disease is a kind of acute respiratory infection that attacks the lungs. The virus was detected in the city of Wuhan. Over time, the virus spread widely to all countries, including Indonesia. The transmission was caused by imported cases from outside the region of origin or local transmission between residents. COVID-19 is stronger in low temperature and dry areas. This virus is very vulnerable to

causing death in the elderly population. The series of events led experts to find this antiviral as soon as possible (Baskara, 2020).

Kristalina Georgieva, Managing Director of the IMF, stated in a press conference that in the history of the IMF has never witnessed the world economy slow down and then stop. She also said that all parties need to work together and protect the most vulnerable people because the Covid-19 pandemic has infected more than 1 million people and killed more than 55.000 people in the world. The IMF is also urging central banks in developed countries to help developing countries.



The IMF currently has a fund of 1 trillion and a number of countries have also committed to spending funds to overcome the impact of the Covid-19 pandemic (Pramisti, 2020).

Indonesia is currently still a developing country as Indonesian entrepreneurs are still 3,1% since the requirement to become a developed country requires the entrepreneurs must be more than 14% of the population ratio. Therefore, Indonesia needs to be accelerated and facilitated so that Indonesia can increase far and can approach the requirements as a developed country (Akhir, 2019).

The coronavirus (Covid-19) pandemic has had a significant impact on the global economy (Fernandes, 2020). In addition, the spread of the Covid-19 virus in 2020 developed rapidly in a short period of time and had severe economic consequences, and required employers to act accordingly (Carracedo et al., 2020). This is because all countries have imposed EXERO Journal of Research in Business and Economics Vol 04, No. 01, May 2021 of 30 authorities to restrict the free movement of national and international residents which has made the economy sink to the red (Nicola et al., 2020). Governments around the world have taken a stand in response to the pandemic by limiting contact with others, often known as physical distancing. This has resulted in all countries being forced to restrict movement both nationally and internationally bringing the economy to a complete stop (Carracedo et al., 2020). Therefore, there are some new habits to avoid direct contact to prevent virus transmission. This has affected capital and supply chains impacting product distribution and availability.

Covid-19 restrictions are stricter on micro, small, and medium enterprises (MSMEs) when compared to large and global companies (Shafi et al., 2020). This situation poses a serious threat to the economy given the role of MSMEs in the nation's economy. The Covid-19 pandemic has given a tremendous shock to the economic sector, including MSMEs. The existence of large-scale social restriction policies or PSBB has limited the movement of people, which also causes stagnation in the economic cycle of society. People will refrain from spending their money as they stay at home more. This will certainly have a huge impact on the MSMEs sector which relies heavily on daily economic turnover. Therefore, the government and other stakeholders are making breakthroughs or innovations to overcome this situation. One of the actions is to introduce the concept of digital marketing by utilizing advances in information technology, such as the Internet to MSME sector actors.

Globally, according to Bouey (2020), the common problems faced are, first, social restriction policies or regional quarantine which result in consumers being limited to move and transact with MSMEs actors. Second, the problem of reopening a business after the decline in the number of Covid-19 cases which requires special transaction protocols that limit the number of buyers. Thus, there is a risk of decreasing sales turnover. Third, supply chain and logistics problems, where social restriction or regional quarantine policies have hampered the distribution of raw materials for the

manufacture of MSMEs products, especially if the raw materials are imported. Fourth, problems with their income and business cashflows due to the sluggish economy. Thus, the physical interaction factor between consumers and producers and the availability of materials are central issues related to the resilience of MSMEs. Problems that are centred on limiting physical interactions between people can be overcome by the use of digital technology (Winarsih et al., 2020). The transaction process between consumers and MSMEs actors can be overcome by the existence of social media and digital platforms where buying and selling transactions are not done face-to-face. Recent trends show that online transactions are very important during this pandemic and the presence of digital buying and selling platforms or marketplaces allows this to happen. However, there are other issues that require attention, namely supply chain security and integrating information systems to support MSMEs. In addition, there is the fact that 13% or around 8 million MSMEs are connected to digital marketplaces and the problem of unintegrated data on MSMEs actors makes it difficult for policymakers to formulate comprehensive and appropriate policies for MSMEs in order to deal with the real consequences of the Covid-19 pandemic (Kemenkop UKM, 14 June 2020). This has been an increase from 2016 previously shown by Deloitte research in 2016 that out of 57,9 million MSMEs in Indonesia, only 9% are seriously using the internet to sell their products with integrated social networks or using e-commerce platforms. This shows a 4% increase for MSMEs actors who seriously use the internet in marketing their products. However, this number is still small compared to the number of MSMEs in Indonesia. One of the efforts to overcome this problem is to create a digital economic ecosystem through digital transformation of the MSMEs sectors (Saputri et al., 2019). Digital transformation provides benefits both to consumers because it facilitates transactions, as well as benefits from the operational side to businesses that can be developed with Business Model Innovation. On the operational side, digitalization of the business processes carried out increases productivity, and cost efficiency in business processes. On the marketing side, digital transformation provides new business opportunities that can attract customers and correlate with transaction revenue, as well as providing new innovations in terms of distributing information to the public.

With the existence of digital transformation, it also has an impact on changing people's behaviour starting from how to access information, lifestyle, and how people interact with social environment.

This research aims to examine how MSMEs change from conventional businesses to conventional online businesses with the improvement of MSME digitalization to help MSMEs progress in digitalizing their business steps. In order to encourage digitalization and make it easier for MSMEs to manage the developments that occur, public authorities have expanded direct access and carried out innovation movements to the business actors. MSMEs so that they can survive in business competition during the Covid-19 pandemic. The

ability to use digital technology to do business online is something that MSMEs must do to maintain their business amid the COVID-19 virus outbreak.

The implication of this research is to increase the knowledge of business actors regarding the importance of transforming MSMEs from conventional businesses to digital-based online businesses during the COVID-19 pandemic. It is expected that with the results of this study, an understanding will be obtained from business actors regarding the things that must be carried out in improving the quality of MSMEs to become digital-based online businesses during the Covid-19 pandemic.

METHOD

This research is a literature review study using secondary data, namely related articles. The theme selected in this study is the entrepreneurial interest of the younger generation. Articles were selected through a Google Scholar search with the keyword "Entrepreneurial Trend in the Young Generation" and researchers took 14 articles on the first 3 pages of Google Scholar that discussed entrepreneurial interest in the younger generation. The selection through Google Scholar is due to the relevance to the theme and the high number of citations. The randomly selected articles were studied by researchers to see the similarities, uniqueness, weaknesses, and strengths of each study to produce conclusions and suggestions for further research.

RESULT AND DISCUSSION

Analysis used descriptive research method by collecting data in accordance with the actual then compiled, processed, and analysed to be able to provide an overview of the existing problems.

Indonesia is one of the countries experiencing a crisis during the Covid-19 pandemic. Due to this pandemic in 2020, almost all countries on earth are struggling to maintain aspects of the crisis as well as Indonesia

The economy is one of the most important aspects of a country. In that year until now, Indonesia is trying to fight this crisis in order to restore economic growth. Regarding this condition, Indonesia needs a strategy to find the answer.

As a country that holds the presidency of the Group of 20 (G20), these conditions are very favourable for Indonesia to recover its economy. It is because the G20 focuses on a coordination on economic policies with 20 countries in it. Considered that Indonesia's presidency period lasts from 1 December to 30 November or for one year, this will certainly continue to be pursued to achieve targets in accordance with restoring crisis conditions in Indonesia and the world. Currently, there are three priorities proposed by the Indonesian presidency as an effort to recover from the crisis, one of which is digital transformation.

According to information from the Indonesian Ministry of Foreign Affairs by the Indonesian presidency regarding three priority sectors, digital transformation is defined as a solution that can help move economic growth during the COVID-19

pandemic. It can be said that, in an increasingly advanced and rapidly developing digital context, this has led to a new order in human civilization. Currently, digital technology has developed very rapidly due to the Covid-19 pandemic. This is because many work activities are carried out online. The use and development of technology has been followed by many advances, including information and communication technology.

Rapid changes in social communication patterns can be seen and felt during the spread of the Covid-19 outbreak around the world. These developments have given a new situation to the political, economic, and social aspects of society. The current COVID-19 pandemic proves that social media is a space of technology that is often used by all citizens in the world. Technology then becomes important because it is indispensable in all forms of activities concerning life and can support the effectiveness and efficiency of human ability to interact and work.

The progress of the development of information and communication technology that has operated in developing and providing wider access so that it can make Indonesian people and the global community improve their abilities by cooperating virtually or online. The necessity of understanding digital transformation is interpreted by many people and it is considered a necessity and must be done. It was stated by Muhammad Neil El Himam as Deputy for Digital and Productive Economy of the Ministry of Tourism and Creative Economy (Kemenparekraf). In the economic aspect, digital transformation can lead the economy to become a digital economy. The existence of a digital economy in this case is also related to globalization because a trade experiences a rapid flow driven by digital and the internet. The process of economic recovery related to this digital transformation can be carried out with the development of investment, cooperation with global technology companies, travel, E-commerce, and in society, especially at this time, digital transformation is very helpful for workers in Micro, Small and Medium Enterprises (MSMEs) both in Indonesia and abroad which are carried out online or online stores in the marketplace.

Communication is the most important supporting role for society in this condition. In fact, currently, communication is carried out virtually across borders can handle the COVID-19 pandemic from various kinds of global problems that arise due to the pandemic. Therefore, to realize a good and useful thing, it is very necessary to prioritize digital literacy, technology, and communication. Therefore, the development of digital transformation needs to be supported by the help of the behaviour of both parents and young people.

Digital transformation itself has two things that must be learned and practiced, such as digital skills and digital literacy. The importance of understanding both basic technologies in the cyber era in the current condition of technology of software, hardware, and social media which is very broad can be used in things that are not desirable or that lead to a negative atmosphere. Literacy skills both in digital,

technology, and information and media literacy are both very much needed and must be mastered properly so that they can be used as a means of response to the dominance of the times. Thus, literacy in a digital context can be interpreted as the ability of an individual and society to understand, master, and use technology, information, and communication facilities and should be controlled properly so that it leads to a good situation so as not to cause other problems in the virtual public space.

Simple understanding, including the ability to extract ideas implicitly and explicitly is the principle of digital literacy in the quality of life skills. In the ASEAN Digital Community, young people are considered to be an important role that is assisted with various kinds of encouragement to improve digital skills through digital talent development programmes that can be done through online virtual practices, such as webinar programmes that raise the theme of digital literacy discussions. As one of the priorities promoted in the G20 in digital transformation and the ASEAN Digital Community, the role of today's youth has the expectation to be realized in 2025 and beyond. This is strongly supported by the role of young people, including in the Southeast Asian region, who are expected to be agents of change in the digital landscape and can be useful to contribute and help communities and countries both in the Southeast Asian and Global regions.

Table 1.1 below summarizes the studies that discuss the trend of entrepreneurship in the younger generation.

Table 1.1 Summary of Articles that Discuss Entrepreneurial Interest in the Younger Generation

| No. | Article | Results |
|-----|---|---|
| 1. | Digital Business Transformation of MSMEs Post-Covid-19 and Industry 4.0 Era (Dr. Suparjiman, SE., MM, 2020) | Information technology, especially in marketing, must change from conventional/traditional marketing to digital marketing because it can provide better quality, more efficient services, and reach a wider market. |
| 2. | Digital Transformation during the Covid-19 Pandemic (Afni Mutiara, 2020) | Digital transformation has affected various aspects of life and has spread every layer of society. Even though the Covid-19 pandemic is starting to recede, the people lives continue to be influenced by digital transformation. |
| 3. | Implementation of Digital Transformation in MSMEs during the Covid-19 pandemic in Denpasar City (Ni Made Widnyani <i>et</i> | Generally, the implementation of Digital Transformation (DT) in MSMEs has established strategic imperatives for their decision to undergo digital transformation. However, |

| | | |
|----|---|--|
| | <i>al.</i> , 2021) | they have not set a measurable milestone, making it difficult to measure the success level. DT mainly involves transitioning some business operations to the digital form, indicating the relatively low digital maturity of MSMEs in Denpasar City. |
| 4. | Covid-19 Pandemic as an Acceleration Momentum for Digital Transformation (Fitri Sartina Dewi, 2020) | Covid-19 pandemic has accelerated digital transformation, both in terms of demand and customer behavior. Digital technology will continue to be adopted and has significant potential for post-pandemic usage. |
| 5. | Digitalization Era Transformation in the Post-Covid 19 Islamic Economic Recovery (Sunyoto <i>et al.</i> , 2022) | The findings of this research have significant implications for governments and policymakers in efficiently embracing digital transformation and innovative Islamic economic services to counter the economic consequences of the COVID-19 pandemic. |
| 6. | Covid-19 Pandemic and Digital Cultural Transformation in Indonesia (Bambang Arianto, 2021) | The impact of Covid-19 pandemic has led to a cultural change from conservative to digital culture. However digital culture changes at the public level need to be anticipated through strengthening digital literacy programs. |
| 7. | Digital Marketing Strategies during the Covid-19 Pandemic (Anindita Trinura Novitasari, 2021) | Actions to adopt digital technology in the form of digital entrepreneurship, digital marketing, and creativity/innovation in digital marketing are taken to sustain business on the Covid-19 pandemic. |
| 8. | Covid-19 Pandemic and Its Impact on the Digital Economy (Kirana, 2022) | Digital economic transformation has grown rapidly over the last decade, and the pandemic has accelerated this process. Online lifestyle will continue to exist, with some operating in a hybrid (online and offline) manner after the pandemic. |

| | | |
|-----|--|---|
| 9. | Digital Transformation and Adaptive and Sustainable Business Development Strategies for MSMEs (Mahardhika Berliandaldo, 2020) | Digital Transformation is used to implement changes in business strategies by entrepreneurs, such as MSMEs. |
| 10. | Digital Transformation of MSMEs from Conventional Business to Digital Online Business during the Covid-19 Pandemic (Muhammad Ihsan Said Ahmad, 2021) | MSMEs actors have the opportunity to transform their business into digitally-based online enterprises to reach a broader market by operating online. |
| 11. | Covid-19 Pandemic Accelerates Digital Transformation of MSMEs in Cilacap City (Guruh Yuda, 2021) | Covid-19 pandemic has impacted in daily activities, leading to a change towards online trends, including business going fully digital. MSMEs are changing their business strategies from conventional to digital marketing. |
| 12. | Digital Transformation and Post-Pandemic (Mardianti, 2022) | Digital transformation greatly helps workers in Micro, Small, and Medium Enterprises (MSMEs), both in Indonesia and abroad, through online platforms or online stores on marketplaces. |

CONCLUSION

The health crisis through the Covid-19 pandemic has caused the digital transformation process work faster. As a result, this digital transformation process has increasingly made the public highly dependent on information technology and social media. This then makes the public have to be able to adapt to a new culture that has become a characteristic of information technology. These cultural changes can be seen in the way how the public communicates, which always prioritises digitalization. In addition, the way economic transactions during the COVID-19 pandemic took place made business units change towards digitalization. This change has certainly shifted the old conservative culture towards a digital culture. In addition, digital culture has created a high dependence on social media. The public increasingly needs social media to carry out various daily activities. Thus, this digital cultural change must continue to be institutionalized by involving the government as the main centre and of course, encouraging the growth of active participation of citizens in realizing a digital

culture that promotes civility. This is because digital culture will also have a negative impact if not managed properly. Reactive attitude in receiving information is one example of the negative impact created by digital culture. If this reactive attitude continues, it will result in the spread of disinformation, hoaxes, and hate speech in the digital realm. The low level of internet civilization among Indonesians has led to a low digital literacy rating in Indonesia. As a result, improving digital literacy has become increasingly urgent for the public. This is because strengthening digital literacy has become very urgent because Indonesia has now entered the reality of digital culture that must be managed properly. With the increase in internet penetration and social media use, it is necessary to involve more parties to help strengthen the understanding of civic digital literacy. Through strengthening digital literacy from an early age, it will be able to create a wiser Indonesian millennial generation in accessing the internet and social media. So that in the future, the public will be able to verify more carefully the various content circulating on social media. Therefore, the impact of the COVID-19 pandemic has become a major marker of the creation of cultural change from conservative to digital culture in Indonesia's digital society. However, this change in digital culture that continues to strengthen must be anticipated through a programme to strengthen digital literacy.

REFERENCES

1. Agre, P. E. (2002). Real-time politics: The Internet and the political process. *The Information Society*, 18(5), 311-331.
2. Agung, I. M. (2020). Memahami Pandemi Covid-19 Dalam Perspektif Psikologi Sosial. *Psikobuletin: Buletin Ilmiah Psikologi*, 1(2), 68-84.
3. Al-Zaman, M. S. (2021). Social media and COVID-19 information in Bangladesh. *Media Asia*, 1-8.
4. Aziz, A., Islam, M. M., & Zakaria, M. (2020). COVID-19 exposes digital divide, social stigma, and information crisis in Bangladesh. *Media Asia*, 47(3-4), 144-151.
5. Bell, D. (2007). *Cyberculture*. The Blackwell Encyclopedia of Sociology.
6. Cvjetičanin, B. (2008). Challenges for cultural policies: the example of digital culture. *Digital culture: The changing dynamics*, 103.
7. Deuze, M. (2006). Participation, remediation, bricolage: Considering principal components of a digital culture. *The Information Society*, 22(2), 63-75.
8. Fitriarti, E. A. (2019). Urgensi Literasi Digital Dalam Menangkal Hoax Informasi Kesehatan Di Era Digital. *Metacommunication: Journal of Communication Studies*, 4(2), 234-246.
9. Gabryelczyk, R. (2020). Has COVID-19 Accelerated Digital Transformation? Initial Lessons Learned for Public Administrations. *Information Systems Management*, 37(4), 303- 309.
10. Gere, C. (2009). *Digital culture*. Reaktion Books.

11. Khan, G. F., Swar, B., & Lee, S. K. (2014). Social media risks and benefits: A public sector perspective. *Social Science Computer Review*, 32(5), 606-627.
12. Kompas.com.(2020).<https://www.kompas.com/tren/read/2020/03/29/113704465/coronadan-revolusi-ruangvirtual?page=all>.
13. Kim, R. Y. (2020). The impact of COVID-19 on consumers: Preparing for digital sales. *IEEE Engineering Management Review*, 48(3), 212-218.
14. Muskana, R., & Zulela, M. S. (2021). Realita Transformasi Digital Pendidikan di Sekolah Dasar Selama Pandemi Covid-19. *Jurnal Pendidikan Dasar Nusantara*, 6(2), 155-165.
15. Ngafifi, M. (2014). Kemajuan teknologi dan pola hidup manusia dalam perspektif sosial budaya. *Jurnal Pembangunan Pendidikan: Fondasi dan Aplikasi*, 2(1).
16. Pradana, Y. (2018). Atribusi kewargaan digital dalam literasi digital. *Untirta Civic Education Journal*, 3(2).
17. Pratiwi, N., & Pritanova, N. (2017). Pengaruh literasi digital terhadap psikologis anak dan remaja. *Semantik*, 6(1), 11-24.
18. Sabrina, A. R. (2018). Literasi Digital Sebagai Upaya Preventif Menanggulangi Hoax. *Communicare: Journal of Communication Studies*, 5(2), 31- 46.
19. Theresia, M. (2021). Peribahan Sosial Budaya Masyarakat Korea Selatan Akibat Pandemi covid-19. *OISAA Journal of Indonesia Emas*, 4(1), 21-27.
20. Van de Donk, W., Loader, B. D., Nixon, P. G., & Rucht, D. (Eds.). (2004). *Cyberprotest: New media, citizens and social movements*. Routledge.
21. Wienarni, L. (2019). Pengembangan Birokrasi Digital Di Indonesia. *Jurnal Ekonomi, Sosial & Humaniora*, 1(02), 24-32.
22. Zed, Mestika. 2008. *Metode Penelitian Kepustakaan*, Cetakan 1. Jakarta: Yayasan Obor Indonesia.