

The Motivation of Gen Z Towards Creating a Sustainable Business

Nurul Aini

Department of Digital Business, Bina Nusantara University, Indonesia
nurul.aini001@binus.ac.id

ARTICLE INFO

Article History:

Diterima : 14-09-2024
Disetujui : 13-11-2024

Keywords:

Motivation;
Gen Z;
Sustainable Business.

ABSTRACT

Abstract: The sustainable business concept considers long-term value between people, the planet, and profit. The idea of sustainable business is considered very urgent amidst massive global climate change. This research aimed to determine Gen Z's motivation to start a sustainable business in the future. The research was conducted with 30 Gen Z from 6 cities in Central Java as respondents. This study uses descriptive analysis with a scoring technique and motivation model using the ERG theory. The research results showed that the motivation of Gen Z in Central Java to create sustainable businesses in the future, especially needs for existence, was very high (average score of 4.38), and for related needs, it was very high (average score of 4.37). For growth, needs were also very high (average score of 4.39). Based on these results, it can be concluded that Gen Z's motivation to create a sustainable business in Central Java was very high, especially in fulfilling primary needs, interaction, and development needs following ERG Theory.



<https://doi.org/10.31764/justek.v7i4.29400>



This is an open access article under the [CC-BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) license

A. INTRODUCTION

High emissions growth significantly impacts global climate patterns and environmental stability. As global ecological challenges increase, an understanding of the role of individual actions is required (Gomes et al., 2023). Individual awareness of this issue is crucial as it is the first step in individual responsibility towards the environment. Starting from individual awareness about environmental sustainability will be the first step for individuals to take more environmentally friendly actions in their daily lives. Individual contributions to environmental sustainability can develop into a profession as an entrepreneur who manages a sustainable business. Sustainable business seeks to maintain a balance of people (social), planet (environmental), and profit (economic) aspects in business activities by paying attention to social, environmental, and economic aspects for present and future generations (Amini & Bienstock, 2014). In the last 5 years, there have been many previous researchers who have determined that motivational factors such as internal drive, personal motivations, and entrepreneurial motivations can influence entrepreneurial intention (Anwar et al., 2022, 2023; Hassan et al., 2021; Otache et al., 2022; Thoudam et al., 2023).

Gen Z, as the face of the demographic in the future, will play a significant role in the

environmentally friendly business sustainability agenda. Based on BPS data in 2020-2024, Central Java province has 1,491,168 micro, small, and medium enterprises (MSME), the majority of which are managed by Gen X (39.4%) and Millennials (39%), meanwhile only 6% of MSMEs are managed by Gen Z. This research wants to see how Gen Z thinks they will run a sustainable business in the future through a motivational study based on ERG theory and Maslow's hierarchy of needs. ERG theory and Maslow's hierarchy of needs were chosen because they feel similar and complemented. ERG Theory explains that needs are determined in parallel with needs in Maslow's Theory (Thoudam et al., 2023). In ERG theory, there is a need for existence which is adapted to physiological needs and the need for security in Maslow's theory and refers to a life that is free of danger and safe for an individual to survive and continue his lineage, the need for relatedness is defined as building and maintaining relationships with people around one's social and business life and the need for growth includes self-growth, self-development and unlocking one's potential (Anwar et al., 2023). The research process was carried out in the following order. First, this research provides a relevant background with relevant and sufficient theory to explain the reasons for conducting this research. Second, the research method, participants, data collection, and analysis are explained. Finally, we summarize and discuss the research results, providing material for further discussion.

B. METHODS

1. Participants

The sampling technique used purposive sampling by taking samples based on deliberate considerations, namely taking students aged 19 – 23 years (Gen Z) from Central Java who are currently pursuing higher education and majoring in business and management.

2. Data collection

Data collection was carried out using a survey. A questionnaire was distributed to sample respondents using Google Forms from July to August 2024. Next, the collected questionnaire data was analyzed using Microsoft Excel.

3. Data analysis

This study employed a motivation analysis model by applying ERG theory. ERG theory was a humanistic needs theory of existence, relatedness, and growth (ERG) based on Maslow's hierarchy of needs. This theory posited that humans require survival, a need for relationships, and the need for growth and development. This research measured each need using a 5-point scale (1 for strongly disagree to 5 for strongly agree). Each indicator is classified into 5 categories based on the level of importance of the indicators: low, relatively low, moderate, relatively high, and high (displayed in Table 1).

Table 1. Score Categories

No	Score	Category
1	1.00 – 1.80	Low
2	1.81 – 2.60	Quite Low
3	2.61 – 3.40	Moderate
4	3.41 – 4.20	Quite High
5	4.21 – 5.00	High

C. RESULTS AND DISCUSSION

1. Profile of Respondents

This section will present the profile of respondents to understand Gen Z's motivation in starting sustainable businesses in Central Java. Based on gender, there are 16 female respondents and 14 male respondents. Based on age, 10% of people aged 19 years, 17% of people aged 20 years, 30% of people aged 21 years, 23% of people aged 21 years, and 20% of people aged 22 years. They come from 6 districts/cities in Central Java, namely Kota Semarang (43%), Kabupaten Kebumen (7%), Kota Surakarta (10%), Kota Pekalongan (17%), Kabupaten Kudus (13%), and Kabupaten Rembang (10% people). Based on parents' occupations: entrepreneurs (37%, private employees (43%), government employees (13%), and retired 7%. Table 2 is an illustration of the respondent profile.

Table 2. Respondent Profile

Ages	Number of respondents
1. 19 years	3
2. 20 years	5
3. 21 years	9
4. 22 years	7
5. 23 years	6
Total	30
Gender	Number of respondents
1. Male	14
2. Female	16
Total	30
District / Cities	Number of respondents
1. Kota Semarang	13
2. Kabupaten Kebumen	2
3. Kota Surakarta	3
4. Kota Pekalongan	5
5. Kabupaten Kudus	4
6. Kabupaten Rembang	3
Total	30
Parent's Occupation	Number of respondents
1. Entrepreneur	11
2. Private employees	13
3. Gov employees	4
4. Retired	2
Total	30

2. Existence (Need for Survival)

Existence shows the motivation to fulfill life's primary, secondary, and tertiary needs in the future when becoming an entrepreneur. The need for existence is measured through 6 indicators. Table 3 illustrates Gen Z's motivation based on creating sustainable businesses. Based on the result, desire to fulfill primary needs in the future, desire to meet the family's primary needs in the future, desire to meet future fund reserves/savings needs, desire to meet investment needs, desire to fulfill life and health insurance needs, and desire to live independently have high score categories. In other words, Gen Z feels optimistic that running a sustainable business can meet their primary needs (food, clothing, and shelter), investment, savings, and insurance, allowing them to live independently with their families in the future. Based on Maslow's hierarchy of needs perspective, this condition has fulfilled their and their families' physiological and safety needs.

Table 3. Motivation based on Existence

Indicators	Average Score	Category
1. Desire to fulfill primary needs in the future	4.53	High
2. Desire to meet the family's primary needs in the future	4.23	High
3. Desire to meet future fund reserves/savings needs	4.37	High
4. Desire to meet investment needs	4.37	High
5. Desire to fulfill life and health insurance needs	4.37	High
6. Desire to live independently	4.47	High
Total Average	4.39	High

3. Relatedness (Need for Relationship)

Relatedness shows motivation to fulfill the need for relationships and interaction with the surrounding social environment, especially with family, employees, and the community. The relatedness is measured through 4 indicators. Table 4 illustrates Gen Z's motivation related to creating a sustainable business. Based on the result, the desire to lead employees in the business, the desire to have relationships in a prestigious business community, the desire to be respected by the surrounding community, and the desire to be respected by the whole family have high score categories. It can be concluded that Gen Z believes that running a sustainable business makes them respected, honored, and valued individuals within their families and communities. From the perspective of Maslow's hierarchy of needs, this condition reflects the fulfillment of love/belonging and esteem needs.

Table 4. Motivation based on relatedness

Indicators	Average Score	Category
1. Desire to lead employees in business	4.37	High
2. The desire to have relationships in a prestigious business community	4.40	High
3. Desire to be respected by the surrounding community	4.30	High
4. Desire to be respected by the whole family	4.43	High
Total Average	4.37	High

4. Growth (Need for Growth and Development)

Growth shows the motivation to fulfill the need for self-growth and self-development. The growth is measured through 5 indicators. Table 5 illustrates Gen Z's motivation to create a sustainable growth-based business. Based on the result, the desire to increase sustainable business knowledge, the desire to become an entrepreneur who is respected by the community, the desire to obtain entrepreneurial awards, the desire to pass on a sustainable business to the next generation, and the desire to have a positive impact on the environment and society have high score categories. The results indicate that Gen Z individuals who run sustainable businesses can become progressive, beneficial, continuously developing individuals who achieve their full potential. They will feel that their self-actualization needs are fulfilled.

Table 5. Motivation based on growth

Indicators	Average Score	Category
1. Desire to increase sustainable business knowledge	4.47	High
2. The desire to become an entrepreneur who is respected by the community	4.37	High
3. Desire to obtain entrepreneurial awards	4.20	High
4. Desire to pass on a sustainable business to the next generation	4.33	High
5. Desire to have a positive impact on the environment and society	4.60	High
Total Average	4.39	High

Based on the research results, there is a fascinating insight: based on the need for existence, relationships, and growth, Gen Z is highly motivated to build a sustainable business in the future. This finding is in line with previous research, which found that motivational factors positively influenced sustainable entrepreneurial intention (Chauhan et al., 2024). Future companies will differentiate themselves by adopting sustainable business practices that prioritize growth and profit while considering environmental and social responsibilities (Lemonakis, 2024).

Several ways can be done to develop motivation for sustainable entrepreneurship. Schools as educational institutions can encourage structured and sustainable entrepreneurship education. The research results show that business schools provide sustainable entrepreneurship training that can encourage students to start sustainable businesses by addressing social problems that are developing in society (Kummitha &

Kummitha, 2021). Apart from formal education at school, the entrepreneurial community can also help develop entrepreneurial motivation (Shymko & Khoury, 2023). The several limitations of this research include (1) it only represents Gen Z in the Central Java region, (2) the number of samples is not evenly distributed across all districts, and (3) the samples for each district are still limited. Further research can be carried out to address the weaknesses in this research. Similar research can be carried out in other regions. Each ERG indicator can be further developed for a more in-depth factor analysis.

D. CONCLUSION AND SUGGESTIONS

Gen Z in Central Java is highly motivated to create sustainable businesses in the future, with an average score of 4.38. The need for existence and the need for growth had the highest average scores, each at 4.39 (high category), while the need for relatedness had an average score of 4.37 (high category). Based on the perspective of Maslow's hierarchy of needs, Gen Z views running a sustainable business as one of the career choices that can fulfill all human needs. The physical needs as an individual, social needs with others, and self-actualization needs can all be well met. With this perspective, it certainly provides a very bright outlook for the economy and environment in Indonesia.

REFERENCES

- Amini, M., & Bienstock, C. C. (2014). Corporate sustainability: An integrative definition and framework to evaluate corporate practice and guide academic research. *Journal of Cleaner Production*. <https://doi.org/10.1016/j.jclepro.2014.02.016>
- Anwar, I., Ahmad, A., Saleem, I., & Yasin, N. (2023). Role of entrepreneurship education, passion and motivation in augmenting Omani students' entrepreneurial intention: A stimulus-organism-response approach. *International Journal of Management Education*. <https://doi.org/10.1016/j.ijme.2023.100842>
- Anwar, I., Alalyani, W. R., Thoudam, P., Khan, R., & Saleem, I. (2022). The role of entrepreneurship education and inclination on the nexus of entrepreneurial motivation, individual entrepreneurial orientation and entrepreneurial intention: Testing the model using moderated-mediation approach. *Journal of Education for Business*. <https://doi.org/10.1080/08832323.2021.1997886>
- Gomes, S., Lopes, J. M., & Nogueira, S. (2023). Willingness to pay more for green products: A critical challenge for Gen Z. *Journal of Cleaner Production*. <https://doi.org/10.1016/j.jclepro.2023.136092>
- Hassan, A., Anwar, I., Saleem, I., Islam, K. M. B., & Hussain, S. A. (2021). Individual entrepreneurial orientation, entrepreneurship education and entrepreneurial intention: The mediating role of entrepreneurial motivations. *Industry and Higher Education*. <https://doi.org/10.1177/09504222211007051>
- Kummitha, H. R., & Kummitha, R. K. R. (2021). Sustainable entrepreneurship training: A study of motivational factors. *International Journal of Management Education*. <https://doi.org/10.1016/j.ijme.2020.100449>
- Lemonakis, C. Z. and C. (2024). The company of the future: Integrating sustainability, growth, and profitability in contemporary business models. *Development and Sustainability in Economics and Finance*, 1, 100003. <https://doi.org/10.1016/j.dsef.2024.100003>.
- Otache, I., Edopkolor, J. E., & Kadiri, U. (2022). A serial mediation model of the relationship between entrepreneurial education, orientation, motivation and intentions. *International Journal of Management Education*. <https://doi.org/10.1016/j.ijme.2022.100645>
- S. Chauhan, K. Chauhan, S. Singh, S. Mahlawat, V. Kumar, and S. S. (2024). Analyzing family

support mediating role between motivational factors and sustainable entrepreneurial intentions: A study on university students. *Sustainable Technology and Entrepreneurship*, 3(3). <https://doi.org/10.1016/j.stae.2024.100076>.

Shymko, Y., & Khoury, T. A. (2023). From community rootedness to individuated entrepreneuring: The development of entrepreneurial motivation through a temporary community of practice. *Journal of Business Venturing*. <https://doi.org/10.1016/j.jbusvent.2023.106300>

Thoudam, P., Anwar, I., Bino, E., Thoudam, M., Chanu, A. M., & Saleem, I. (2023). Passionate, motivated and creative yet not starting up: A moderated-moderation approach with entrepreneurship education and fear of failure as moderators. *Industry and Higher Education*. <https://doi.org/10.1177/09504222221120779>