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# ROLE OF PARENTS IN CHILDRENS' CAREER SELECTION AS AN ENTREPRENEUR

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## **Abstract**

The parent is one of the internal environment that play a role in determining the children's future career. The purpose of this study is to describe the role of parent in children's career choice as an entrepreneur. This research is a descriptive survey and the subjects were the student's parents at the University of North Sumatra who have taken entrepreneurship courses. This study uses a purposive sampling method. The results show a great tendency on the parents' age and parents' education level in determining their children career's choice as an entrepreneur, and parents' intention of being their children to be entrepreneur. The role of good parents has a tendency to affect the children in choosing a career as an entrepreneur. At the end, recommendations are made and limitations of the study are discussed.

Keywords: parents, career, entrepreneur, entrepreneurial mindset, entrepreneurial motivation



## INTRODUCTION

The limited subsistence is creating an increasingly complex of competition climate. The fulfilment option to become the self-employed workers is a choice for the beginners who will enter a period of transition from education to the workplace. While, the limited employment and productive workforce imbalance with the available jobs, making the labor force should have the alternative to not always determine the choice to look for a job. These conditions make the government has an important role in addressing this problem. In recent years, they have encouraged the entrepreneurial sector for the beginners in workforce. It was marked from the many established vocational schools and the creative economy as a support facility of the national program. It is intended to foster the entrepreneurial spirit as the best solution for the absorption of the labor force in fulfilling the subsistence.

The interest on entrepreneurship in Indonesia is still very low. The number of entrepreneurs in Indonesia only 0.18 percent of the total population, is still far below compare to other countries such as Malaysia and United States which has 2 percent and 4 percent respectively, while Singapore has 7 percent. A country will be developed and has stable economy if they can reach the number of entrepreneurs at least 2 percent of the total population (www.jpnn.com).

The higher education is a formal educational institution that produces graduates who have the orientation as educated job seekers and job creators. The preliminary study by Kashmir (2011: 2) based on the interviews and feedback of the questionnaires from an approximate 500 students throughout the year of 2005 at six universities in Jakarta, revealed that 76 percent of the respondents would apply for a job (job seekers), and only 4 percent are intended to engage in entrepreneurship. The role of Higher Education in growing the interest of its graduates for entrepreneurship has been shown by adding entrepreneurship-based curriculum and supported by workshops and seminars that can increase the potential and competencies of university graduates to plunge into the world of business. It is intended as the Higher Education is the starting gate that delivers graduates to vote against both options.

From the above condition, it indicates that external factors have been very supportive to the creation of entrepreneurs in Indonesia. The problem faced today is the low interest of the university graduates for entrepreneurship. Low interest was due to a lack of motivation to be an entrepreneur as an option after graduation. A number of studies which have been done on one's motivation for entrepreneurship can be concluded that the entrepreneurial intentions of a person are influenced by a number of factors that can be seen within an integral framework involving various internal, external and contextual factors (Johnson, 1990; Stewart et al, 1998, in suharti). The internal factors derived from the entrepreneurs themselves such as the character traits, as

well as socio-demographic factors such as age, gender, work experience, family background, and others that can affect a person's entrepreneurial behavior (Johnson, 1990; Nishanta, 2008). While external factors derived from outside the individuals' perpetrators of entrepreneurs such as the elements of the surrounding environment and contextual conditions.

From the internal factors above, a dominant factor in the formation of character and life choices is the factor of family support, especially the role of parents. Family factors are the initial formation of one's personality that will affect the options that will be taken for the choice of his life in the future. The family background as the entrepreneur or background as the worker both are very influential on the motivation for entrepreneurship. Motivation is certainly to be fully supported in starting the business, in terms of both moral and material, where the roles of parents on motivation influence the financial and business development of entrepreneurship.

According to Fatoki (2014), the highly parental involvement of students in South Africa can affect their entrepreneurial skills. While, Aprilianty (2011) able to prove that one of the factors that influence the interest of vocational students on entrepreneurship in Central Kalimantan is a family environment. It is stated that the family environment is one of dominant supports of external influence towards the interest on entrepreneurship.

## LITERATURE REVIEW

Zimmerer (2002, p. 12) states that one of the factors driving the growth of entrepreneurship in a country derived from the role of the university through the provision of entrepreneurship education. While Alma (2010, p. 12) posited that the most encouraging a person to enter the career of entrepreneurship is due to the presence of personal attributes and environment. It is stated that the interest in entrepreneurship is influenced by entrepreneur's personality and environmental potential. Having a mother or father who is an entrepreneur will inspire the children to become an entrepreneur, where the entrepreneurs' flexibility and independence has been ingrained in children from an early age (Hisrich, et al., 2005, p. 65).

A family can essentially be viewed as a sub-system of a social life, as well as can be traced as a stand-alone system. It is also a kind of basic institutions of a society; the smallest social unit which has universal values. The education and employment patterns of families in the current rapid social change should be tailored to the development and social change itself creatively, positively and dynamically. In relation to this issue, there are three types of approaches that can be done by parents in educating their children of choosing a career in the era of globalization, namely: (1) Persuasive approach. By giving examples and open dialogue with children. (2) Critical thinking, innovative and creative approach. (3) Values Clarification approach that build the characters.

For that parents need to (1) apply a style that is moderate to educate children, (2) foster an atmosphere of intimacy between parents and children, (3) develop a guiltly and shame culture on children in a career, (4) provide opportunities for children to interact with the surrounding work environment positively and dynamically.

Entrepreneurship is the process of creating something new on the value of using the required time and effort, bear the financial, physical, and social risks that exist, receiving the results of monetary rewards, personal satisfaction and freedom (Hirich, et al. 2008, p. 10). While, according to Anoraga in Ilyas (2005, p.531), a career in a simple sense means as an attempt to make a living career, professional development or improve position, whereas in the broadest sense means as a step forward throughout his life.

## **Entrepreneurial Mindset**

Mindset is a whole/unity of belief owned by an individual, the values that professed, criteria, expectations, attitudes, habits, decisions, and opinions that used in looking others or life.

## **Entrepreneurial Motivation**

Motivation is an effort to strengthen behavior toward a goal that is within oneself. It is a push factor of an individual background to achieve a certain goal. Robbins (2001) states that motivation used as an individual's willingness to come out with a variety of efforts in meeting the needs. Motivation can be seen from the choices made by individuals. Meanwhile, according to Davis and New Strom (1996), motivation consists of achievement, affiliation, competence, and power.

- 1. Achievement motivation, is a boost in a person to overcome all the challenges and obstacles in achieving goals. Entrepreneur-oriented and work hard when they perceive that they will gain personal pride for their efforts, when there is little risk of failure, and when they get specific feedback on the performance of previous disclosures.
- 2. Affiliation motivation, is the urge to connect with people on a social basis. The motivated individuals through their affiliates are working better when they are praised for their cooperative attitude and fun.
- 3. Competence motivation, is the impetus to work towards excellence, improve problem solving skills, and strive to be innovative. Generally, they tend to do a good job because they feel the inner satisfaction of doing the job and the rewards gained from others.
- 4. Power motivation, is the urge to influence people and change the situation. The motivated individuals on their power are willing to bear the impact and risk to do so.

Motivation is an inner urge of human beings as well as encouragement from outside to achieve a desired goal. Therefore, the external and internal factors are the two factors that affect one's motivation.

### METHODOLOGY

This research is a descriptive in nature that will describe the sociodemographic factors and the role of parents in determining a career as an entrepreneur, then along with the reasons that strengthen parents in providing support to students in entrepreneurship. The research was conducted at the University of North Sumatra in Medan city area which has entrepreneurship courses in the curriculum, while the subjects were parents of the students sitting in their 6<sup>th</sup> semester who have taken entrepreneurship courses.

The respondents of this study was determined using the sampling method of purposive sampling with a total 170 students in 7 faculties at the University of North Sumatra. The data will be presented in the form of a frequency distribution that will describe the level of education, age and job and the level of parental role in determining the child's career as an entrepreneur.

## FINDINGS AND DISCUSSION

Table 1. The Effect of Parents' Age Against Child's Career Selection as an Entrepreneur

Catagony	Frequency	Percentage
Category	<b>(f)</b>	(%)
Productive Age	118	69.4
Unproductive Age	52	30.6
Total	170	100.0

Based on the above table, it can be seen that the majority of parents fall under the productive age i.e. 69.4%, while 30.6% are under the age that is no longer productive. When viewed in the ratio of the age, the oldest parent respondents is with the age of 70, whereas the youngest was 28 years old.

		Selection of Career			
		Non-Entrepreneur Entrepreneur		preneur	
		Frequency	Percentage	Frequency	Percentage
Age	Productive Age (15-54)	18	10.59	100	58.82
Age	Unproductive Age (> 55)	8	4.71	44	25.88

Based on the above table, it can be seen that 58.82% of parents with productive age who have children, they choose a career as an entrepreneur, while only 10.59% of the parents whose children choose a career not as an entrepreneur. While parents with unproductive age and their children choosing a career as an entrepreneur is by 25.88%, and whose children choosing a career not as an entrepreneur only by 4.71%.

Based on the above results, there is a big tendency that parents with the productive age may contribute in determining the children's career as an entrepreneur. Parents with productive age will have direct experience that allows children to get an overview on the career industry.

In-depth interviews were conducted on the parents, found that parents who were in the productive age to work is often communicate with children about career options in the future. The parents who are still in the productive category can directly describe what happened in the world of works, so that these exposures may affect the children in determining future career. It is also in line with the statements on some of the children that the parents who are still in the productive age asking the involvement of their children in activities related to the work.

Table 2. Influence of Parent's Educations on Children's Career Selection as an Entrepreneur

Category	Frequency (f)	Percentage (%)
Primary school (SD)	2	1.2
Junior secondary school (SMP)	9	5.3
Senior secondary school (SMA)	65	38.2
Diploma (D3)	12	7.1
Bachelor (S1)	70	41.2
Post-graduate	12	7.1
Total	170	100.0

Based on the above table, it can be seen that the majority with 41.2% of the parents have bachelor's education level, 38% of them are with senior secondary school education, 7.1% have postgraduate and diploma level of education, 5.3% of them have the junior secondary school and 1.2% are having primary school level of education.

		Selection of Career			
		Non-E	ntrepreneur	Er	ntrepreneur
	Primary school (SD)	0	0.00	2	1.18
	Junior secondary school (SMP)	1	0.59	8	4.71
Education	Senior secondary school (SMA)	9	5.29	56	32.94
Education	Diploma (D3)	3	1.76	9	5.29
	Bachelor (S1)	11	6.47	59	34.71
	Post-graduate	2	1.18	10	5.88

Based on the cross tabulation result, majority (34.71%) of parents who have bachelor degree of education, their children choose a career to be an entrepreneur, while minority (0%) of parents have an primary schools level of education, their children choose a career of not to be an entrepreneur. It is concluded that highly educated parents has a great tendency to affect the children in determining a career to be as an entrepreneur.

In-depth interviews were conducted on the parents found that parents' education determines the thinking in determining children's choices. The educated parents were more open in communication with the children to determine the future career options, while the highly educated parents give more discharge the children in determining his/her career by providing a more detailed picture of the career choices in the future for their children.

Interviews were conducted on children also found that highly educated parents more communicative on the career choices in the future. The parents also describe the relationship of attending the colleges with the career choices ahead, while the more highly educated parents tend to call their children to choose a career as an entrepreneur in accordance with the courses that been attended by the children.

Research conducted by Hidayah (2012) found that parental background can significantly affect the vocational students to entrepreneurship. It is also in line with research by Fatoki (2014) who found that family background is part of the family sociodemographic factors that affect children for entrepreneurship. Likewise, according to research Thrikawala (2011) in Sivarajah (2013) that the highly educated parents may significantly affect the children to start their own business.

Table 3. The Effect of Parents' Employment on Children's Career Selection as an Entrepreneur

Category	Frequency (f)	Percentage (%)
Housewife (IRT)	16	9.4
Government Servant (PNS)	44	25.9
Private Employees (Swasta)	34	20.0
Entrepreneur	43	25.3
Employee in Government-Linked Companies	16	9.4
Retiree	9	5.3
Farmer	8	4.7
Total	170	100.0

Based on the above table, it can be seen that 25.9% of the parents' jobs are as civil servant, 25.3% are as the entrepreneur, 20% are as the private employee, 9.4% are as the employee of government-linked companies and housewife, 5.3% are the retiree, and 4.7% are as the farmer.

		Selection of Career			
		Non-Entrepreneur		Entre	preneur
		Frequency	Percentage	Frequency	Percentage
	Housewife (IRT)	2	1.18	14	8.24
	Government Servant (PNS)	6	3.53	38	22.35
Job	Private Employees (Swasta)	7	4.12	27	15.88
	Entrepreneur	4	2.35	39	22.94
	Employee in Government- Linked Companies	4	2.35	12	7.06
	Retiree	1	0.59	8	4.71
	Farmer	2	1.18	6	3.53

Based on the results of cross tabulation on work and entrepreneurial career choice, it found that the majority of parents who work as entrepreneurs intend to have their children to choose a career as an entrepreneur (22.94%), whereas a minority of parents who work as retirees intend to have their children to choose a career not as an entrepreneur (0.59%). The above results show the tendency that the parents who are the entrepreneurs wanted their children choosing a career as an entrepreneur. The parents' experiences running the ventures influence the parents to advocate their children choosing a career as an entrepreneur.

The interviews were conducted on children, shows the similar result that parents who have a profession as an entrepreneur often encourage children to get involved in the business process. The process inspire children to choose a career as an entrepreneur.

Various studies have shown that parents' career as an entrepreneur can influence a selection of career. Suharti (2011) found that the parental job as a socio-demographic factor that significantly affect the chidren's intentions to become an entrepreneur. According to Dunn and Holtz-Eakin in Suharti (2011) that parents who have a profession as an entrepreneur believed to be an example (entrepreneurial role model) that will eventually form the children's interest to become an entrepreneur in the future. Parents who are self-employed have direct experience can share these experiences to their children. This is aligned with the findings by Solesvik (2007) in Sivarjah (2013) on the students in the Ukrainian that the parental entrepreneurial background have great effect in influencing the children to join their parents to develop the business.

Table 4. Overview of Parent's Supports

Questions	Descriptive Results			
	Mean	Standard Error	Standard Deviation	Variance
The mother discusses about children's works	7.33	0.17	2.19	4.79
The mother choose the entrepreneurial works for the children	5.94	0.18	2.36	5.55
The mother has the entrepreneurial background	5.85	0.24	3.18	10.14
The mother lived in an entrepreneurial environment	5.59	0.23	2.97	8.81
The mothers appreciate the profession as an entrepreneur	7.96	0.14	1.83	3.35
The mother wanted a certainty of life for the children in the future	8.94	0.12	1.63	2.65
The mother took a risk in entrepreneurship	6.75	0.19	2.48	6.14
The mother gave the motivation of entrepreneurial profession to the children.	6.32	0.21	2.74	7.53

Based on the above table, majority of parents want the assurance of life for children in the future with an average value of 8.94 and the lowest variance of 2.65, followed with the role of parents in a discussion on the children's career, and the role of parents' entrepreneurial living environment has the lowest average value.

Table 5. Category of Parents' Supports on Entrepreneurship

Category	Frequency (f)	Percentage (%)
Good	19	11.2
Sufficient	102	60.0
Poor	49	28.8
Total	170	100

Based on the above table, it can be seen that the majority of parents have adequate support to children in determining a career as an entrepreneur (60%), as many as 28.8% had poor support, and only 11.2% had good support in entrepreneurship.

	Selection of Career				
	Non-Entrepre	neur	Entrepreneur		
Category - Supports	Frequency	Percentage	Frequency	Percentage	
Poor	3	1.8	16	9.4	
Sufficient	27	10	85	50	
Good	6	3.5	43	25.3	

Based on the cross tabulation results obtained, it shows that 50% of parents who give sufficient support to their children who choose a career as an entrepreneur, 1.8% of parents given poor support to their children who choose a career not as an entrepreneur, while 25.3% parents have a good support to their children who choose a career as an entrepreneur. From the above results can be understood that the parents who want their children to become entrepreneurs tend to provide support for their children to choose a career as an entrepreneur.

The interviews conducted on the parents found that parents give freedom to children to determine his selection of a career as an entrepreneur, and the parents will look at ways to help the children in his career. Then for the determination of a career in the business, the capital ownership is a factor most commonly encountered as an obstacle of an entrepreneurial career.

## CONCLUSION AND RECOMMENDATION

The conclusions of this study are:

- 1. A total of 58.82% of parents who are in productive age have the children that choose a career as an entrepreneur. They can directly describe what happened in the world of work, so that these exposures may affect the children in determining future career.
- 2. The majority of educated parents have the children who are choosing a career as an entrepreneur by 34.71%. They were more open space in communication with the children to determine the future career options, while the highly educated parents give more independency to their children in determining a career but provide a more detailed picture of the career choices in the future for their children.
- 3. The majority of parents who work as entrepreneurs have the children who choose a career as an entrepreneur (22.94). Their experience in running a business encourage the children to determine a career as an entrepreneur.
- 4. The majority of parents have sufficient support to the children in determining a career as an entrepreneur (60%), 28.8% had poor support, and only 11.2% had good support in entrepreneurship

Given the above conclusions, there are several recommendation to be considered as follows:

- 1. In order for the children to choose a career as an entrepreneur, parents should open a space for communication in the selection of future career, as well as providing an overview to the childrens about entrepreneurship
- 2. Parents must provide the children with positive support for the career selection as an entrepreneur.



### Limitations

The limitation of this study is the use of quantitative method in analyzing the data. It may included the qualitative method to explore the subjective reasons that faced by the parents as well as the use of other statistical method instead of using descriptive analysis, for example the linear regression analysis or others.

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