

Utilizing Technology: Knowledge Applications for Millennial Entrepreneurs

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ABSTRACT

This study aims to determine the effect of one of the processes in knowledge management, namely knowledge application on millennial entrepreneurs in utilizing technology in business processes. The research sample is millennial entrepreneurs with 153 respondents through an online survey via a google form. Data analysis using confirmatory factor analysis, descriptive test, and regression test. According to the findings of this study, knowledge application has a substantial impact on the use of millennial entrepreneurial technologies. Smartphones are the most commonly utilized information technology media among millennial entrepreneurs in this study. The millennial entrepreneurship promotion media tools studied use social media and the type of business for millennial entrepreneurs is dominated by the fashion business.

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1. INTRODUCTION

As the next generation, millennials play an important role in carrying out business activities by utilizing, implementing, and relying on technology in business processes. The era of digital technology requires that business processes depend on the sophistication of technology and information systems. The application of cognitive and affective knowledge is very much needed by millennial entrepreneurs in running a business in this era. Millennial entrepreneurs need to apply knowledge application processes related to technology used in business processes so that the use of technology can develop over time and survive.

The knowledge that millennial entrepreneurs possess must be put to use so that it can be fully utilized and employed in the course of business operations. Many business operations have been encouraged to employ communication tools and technology in business processes as a result of the advancement of information technology. Millennial entrepreneurs can learn about business models by using technology to access information from a variety of existing sources. Some researchers for example Smith (2003); Madhousi et al., (2011); Mohannak & Matthews (2011) explain that the success of entrepreneurs is driven by technology and the role of leaders in applying knowledge skills through the creation of new systems and processes, the utilization of specialized knowledge, and the development of a strong brand image. The application of knowledge management depends on the effective management and practical use of knowledge by entrepreneurs on the tools used by enterprise management. Mehdi & Shaemi's (2010) research shows that firms should focus on developing, establishing, and spreading knowledge into company

management through data, which is then turned into valuable information for the organization when it comes to applying knowledge.

The research was conducted on millennial entrepreneurs who use technology in business processes. The millennial generation has a characteristic because it was born in the internet era so that this generation is very proficient in technology and applies knowledge in the business it runs.

2. RESEARCH METHOD

The sample of this research is the millennial generation aged 17 - 37 years who use technology in their business processes totaling 153 people. The criteria are using information technology media, having electronic promotion facilities, and the type of business that is run according to today's millennials. A quantitative approach is used through a survey method (online google form) by testing the perception of young entrepreneurs (millennials) who use technology in business processes. Non-probability sampling using purposive and snowball sampling approaches were used to determine the research sample (Cooper & Schindler, 2011).

The validity (face, convergent, and discriminant validity) and construct reliability (construct reliability – cr) of the data were tested, and the results met the standard requirements (Hair et al., 2010). The knowledge application research instrument was adapted from Gold et al., (2001), and the millennial entrepreneur research instrument was adapted from Howe & Straus (2007). Then a descriptive test by providing an overview and explanation of the characteristics of the respondents based on the results of this study using descriptive statistics and linear regression tests on the knowledge application variables to millennial entrepreneurs.

The measuring model of confirmatory factor analysis was investigated in this study (CFA). With standardized factor loading, average variance extract, and critical ratio values above 0.5, all estimated values of the association between indicators and constructs are significant at a significance level of 0.1. As a result, all of the indications in the table are valid and dependable.

Table 1

Validity and Reliability (Factor Loading, Average Variance Extracted and Construct Reliability)

| Construct | Item | Factor Loading | AVE | CR Value | Description |
|-------------------------|------|----------------|-------|----------|------------------|
| Knowledge Application | 1 | 0.751 | 0.550 | 0.918 | Valid & Reliable |
| | 2 | 0.751 | | | |
| | 3 | 0.766 | | | |
| | 4 | 0.787 | | | |
| | 5 | 0.787 | | | |
| | 6 | 0.759 | | | |
| | 7 | 0.670 | | | |
| | 8 | 0.770 | | | |
| | 9 | 0.680 | | | |
| | 10 | 0.680 | | | |
| Entrepreneur Millennial | 11 | 0.739 | 0.535 | 0.935 | Valid & Reliable |
| | 12 | 0.719 | | | |
| | 13 | 0.804 | | | |
| | 14 | 0.827 | | | |
| | 15 | 0.701 | | | |
| | 16 | 0.726 | | | |
| | 17 | 0.752 | | | |
| | 18 | 0.698 | | | |
| | 19 | 0.684 | | | |
| | 20 | 0.747 | | | |
| | 21 | 0.662 | | | |
| | 22 | 0.679 | | | |
| | 23 | 0.751 | | | |

3. RESULTS AND DISCUSSIONS

Smartphones are the most commonly used information technology media among millennial entrepreneurs in this study according to table 2 (68.0 percent). Almost everyone has a smartphone nowadays, making it easier for millennial entrepreneurs to run their businesses flexibly and on time.

Besides that, there are respondents who use several other information technology media such as laptops, computers and tablets in running their business. This is in accordance with the findings of the National Socio-Economic Survey (SUSENAS), which show that the millennial generation in both urban and rural areas uses cell phones more than prior generations.

Table 2
Media Technology, Promotion Facilities, and Type of Business

| | Description | Amount | Percentage (%) |
|--------------------------------------|-------------------|--------------|----------------|
| Media Information Technology | Smartphone | 104 | 68.0 |
| | Laptop | 32 | 20.9 |
| | Personal Komputer | 10 | 6.5 |
| | Tablet | 7 | 4.6 |
| | Total | 153 | 100.0 |
| Electronic Promotion Facility | Social Media | 101 | 66.0 |
| | Online Chat | 48 | 31.4 |
| | Marketplace | 3 | 2.0 |
| | Website | 1 | 7 |
| | Total | 153 | 100.0 |
| Type of Business Field | Fashion | 56 | 36.6 |
| | Retail | 25 | 16.3 |
| | Cosmetic | 18 | 11.8 |
| | Culinary | 15 | 9.8 |
| | Services | 12 | 7.8 |
| | Health | 9 | 5.9 |
| | Decoration | 5 | 3.3 |
| | Spareparts | 5 | 3.3 |
| | Reseller | 4 | 2.6 |
| | Furniture | 2 | 1.3 |
| | Education | 2 | 1.3 |
| Total | 153 | 100.0 | |

The respondents used a lot of social media (Instagram, Facebook, and line) in business promotion using electronic information technology (66.0 percent). These findings are in line with the findings of a study conducted by Indonesia Mom Digital Service (2017). According to this study conducted by millennial entrepreneurs, many millennials shop on Instagram and Facebook. Besides that, the most business sector in this study is the fashion sector (34%) because millennials are a group that is very close to the fashion industry and this generation is more inclined to fashion trends related to style, clothing, and accessories.

Table 3
Regression Weight and Estimate Significance Value of the Relationship between Constructs

| Relationship between Constructs | Estimate Value | Critical Ratio | Standardized Regression Weight Value | P - Value |
|--|----------------|----------------|--------------------------------------|-----------|
| Knowledge Application → Millenial Enterprenuer | 0.609 | 3.322 | 0.572 | *** |

Significant : 0.001 (***)

Table 3 reveals a significant association based on a CR value greater than or equal to 2.56. (at a significance level of 0.1). These assumptions, as well as the significant value of the variable with a CR greater than 2.56, support a causal relation between knowledge application constructs and millennial entrepreneurs with a significant level of 0.1.

This study gives the result that knowledge application has a significant effect on millennial entrepreneurs. Millennial entrepreneurs have a process for applying knowledge gained through experience, a process for using knowledge in the development of new products/services, a process for using knowledge to solve new problems, a process for adapting knowledge sources to the problems and challenges they face, a process for using knowledge to improve business efficiency, a process for using knowledge to adjust the strategic direction of the business, and a process for finding and using new knowledge sources. This research reinforces Mehdi & Shaemi (2010), Madhousi et al. (2011), and Mohannak & Matthews' argument, theory, and research (2011).

4. CONCLUSION

Young entrepreneurs (millennials) should incorporate technology into their company processes by using it in all aspects of their operations and relying on it. Knowledge is a valuable asset in obtaining a competitive advantage since it allows individuals to apply existing stock knowledge to company activities. Further research is recommended to create a mapping of comparable sorts of businesses in the same business or business group so that the theory's treatment can be maximized in its measurement. Furthermore, it is vital to employ a precise sample frame and a higher number of samples to obtain more robust research results and ensure that theory and facts in the field can be predicted accurately.

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