



The Influence of Entrepreneurial Mindset and Digital Literacy on Entrepreneurial Decisions Among Generation Z

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ABSTRACT

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This study aims to analyze the influence of entrepreneurial mindset and digital literacy on entrepreneurial decisions among Generation Z in Sumbawa Regency. The study adopts a quantitative approach with a causal-correlational design and involves respondents from Generation Z in Sumbawa and Alas subdistricts, which are centers of active young populations in the region. Data were collected through a structured survey and analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) to test the relationships between variables. The results indicate that entrepreneurial mindset has a positive and significant influence on entrepreneurial decision-making among Generation Z, with creativity, innovation, and risk-taking as the primary factors driving entrepreneurial intent. Additionally, digital literacy also has a positive and significant influence, where competence in utilizing digital technology supports the process of identifying opportunities, business innovation, and expanding online marketing networks. Validity and reliability tests of the constructs indicate that the research instrument is highly reliable and internally consistent. The research model shows a high Goodness of Fit (GoF) value, indicating the model's alignment with empirical data. This study emphasizes the importance of strengthening an entrepreneurial mindset and improving digital literacy to build an adaptive, innovative, and highly competitive young entrepreneurial ecosystem in Sumbawa Regency. These findings provide practical contributions to the formulation of digital-based young entrepreneur empowerment strategies at the local level.

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INTRODUCTION

Entrepreneurship serves as a fundamental pillar for sustainable economic development, particularly in the current era of digital disruption. In Indonesia, the number of entrepreneurs remains relatively low compared to international standards. According to data from the Central Statistics Agency (BPS) in 2023,

the entrepreneurial ratio in Indonesia was merely 3.47% of the total population. Furthermore, young entrepreneurs aged 20–29 years accounted for only 6.1 million individuals, or less than 11% of the national entrepreneur total, while Generation Z itself comprises nearly 75 million people, representing over a quarter of Indonesia's population. This disparity indicates unoptimized potential, given that Generation Z constitutes a demographic bonus that should ideally serve as a catalyst for national entrepreneurial growth.

The discrepancy between the number of young entrepreneurs and the total Generation Z population highlights distinct challenges. This trend emerges amidst massive social, economic, and technological transformations. A survey by the World Economic Forum (2019) revealed that 35.5% of Indonesian youth (including Generation Z) expressed a desire to become entrepreneurs, a notably high ratio regionally. However, the realization of this aspiration has not been directly proportional to actual entrepreneurial practice, primarily driven by limited access to mentorship, capital, and self-confidence in undertaking business risks.

Beyond internal challenges, external issues also influence Generation Z's interest and decision-making regarding entrepreneurship. BPS data from 2024 indicates that approximately 9.9 million Generation Z individuals (aged 15–24 years) fall into the NEET (Not in Employment, Education, or Training) category. This phenomenon underscores an imbalance between the potential of young human resources and the absorption capacity of the workforce and the inclusiveness of the entrepreneurial ecosystem. This context emphasizes the urgent need to strengthen a conducive entrepreneurial ecosystem for Generation Z. The challenges in entrepreneurial decision-making among Generation Z are not solely determined by macroeconomic aspects and labor market conditions. Research by Bachtiar et al. (2020) revealed that approximately 73% of Indonesian Generation Z are interested in becoming entrepreneurs, yet this interest often fails to translate into concrete action. Maulindah's (2021) study further corroborates that obstacles such as lack of experience, practical business knowledge, and network access negatively impact the courage to make entrepreneurial decisions.

At the micro level, psychological and social factors also serve as significant determinants. Studies by Aini and Oktafani (2020), as well as Caena & Redecker (2019), highlight the importance of personal attitudes, social norms, perceived behavioral control, and the influence of entrepreneurial role models in shaping the intention and decision to start one's own business. Furthermore, the utilization of technology is a primary preference in Generation Z's business models, stemming from their upbringing in the digital era. The adoption of technological advancements lends uniqueness to Generation Z's entrepreneurial

decision-making process, as they are known to be more adaptive to online market research and digital innovation. Oktapiani's (2022) study emphasizes that while Generation Z's interest in owning a business is very high, digital experience and access often differentiate between entrepreneurial intention and reality. This, in turn, points to the importance of interventions in shaping mindset and digital literacy as primary capital.

An entrepreneurial mindset is crucial in the entrepreneurial decision-making process, especially in this dynamic era of disruption and global competition. Generation Z in Indonesia now faces market challenges characterized by uncertainty, demands for innovation, and technological advancements that influence new business governance. The ability to think creatively, innovatively, take calculated risks, and be flexible in identifying opportunities are essential assets that enable them to survive and thrive amidst such volatility. Recent research confirms that an entrepreneurial mindset significantly influences decision-making processes and business growth, particularly among young generations and digital startups. A study by Rahman (2025) indicates that an entrepreneurial mindset plays a greater role than innovation in driving startup growth in the digital era. Individuals with a strong entrepreneurial mindset are more adept at recognizing opportunities, taking measured risks, and adapting to change. While innovation remains important, business success is more determined by the ability to make strategic, opportunity-oriented decisions.

Widhajati (2024) also found that an entrepreneurial mindset enables new entrepreneurs to navigate market uncertainties more effectively. A focus on innovation, risk-taking, and flexibility allows entrepreneurs to minimize external risks and sustain business growth in fluctuating economic conditions. The primary recommendation from this research is the necessity of strengthening this mindset as a key strategy for Generation Z in establishing and maintaining businesses. Another study by Shabbir et al. (2025) on information and technology students affirms the positive relationship between entrepreneurial mindset, skills, attitudes, and entrepreneurial intention. Attitudes toward entrepreneurial behavior and technical skills correlate with an increased interest among young people in starting new ventures. This research also emphasizes the importance of developing an entrepreneurial mindset in higher education related to technology and digital fields.

De Winnaar and Scholtz (2019), through their empirical study, found that an entrepreneurial mindset positively influences entrepreneurial decisions in students, particularly in managing doubts, fostering innovation, and adopting a resilient attitude in facing business failures. Similar findings were presented by Suaidy & Lewenussa (2019), stating that this mindset is a key differentiator for

individuals who successfully pursue independent entrepreneurial paths. Findings from Saputri and Himam (2015) underscore that the implementation of a strong entrepreneurial mindset is followed by concrete actions, such as the courage to realize business ideas, determine strategic steps, and take responsive actions to market dynamics. Furthermore, Lahindah and Manurung's (2015) research concluded that external environmental factors also serve as catalysts for this mindset to manifest in tangible actions, rather than merely discourse.

However, not all studies have found a significant influence of entrepreneurial mindset on entrepreneurial decisions. Research by Kurniawan, Khafid, and Pujiati (2015) found an influence that requires other variables, such as self-efficacy, as a moderator between mindset and actual entrepreneurial action. These studies indicate that the dynamic influence of an entrepreneurial mindset on actual decisions still requires further investigation within local contexts, including among Generation Z in regions such as Sumbawa Regency. Digital literacy is a crucial variable in supporting the era of digital entrepreneurship. According to Fernando and Handoyo (2022), digital literacy has a positive and significant influence on students' entrepreneurial decisions, with digital literacy enhancing efficacy in utilizing technology for innovation and marketing. Paris's (2020) study also concurs, stating that higher digital literacy correlates with a stronger tendency for young people to choose digital businesses over conventional jobs. Rahardjo (2021) adds that the ability to leverage digital technology provides new opportunities and cost efficiencies in business processes, enabling Generation Z to reach broader markets with relatively smaller capital. Oktapiani's (2022) research specifically mentions that digital access can compensate for limited experience by providing online access to mentors, networks, and best business practices.

A study by Arimbi et al. (2023) indicates that digital literacy not only has a direct influence but also an indirect one through self-efficacy. This finding confirms that self-confidence in leveraging digitalization strengthens the relationship between digital literacy and entrepreneurial decisions. On the other hand, Koe et al.'s (2015) research also asserts that digital literacy opens up a variety of new business opportunities that were previously inaccessible through traditional means. The adoption of digitalization demands that Generation Z not only be adaptive to technology but also proficient in aspects of digital literacy, encompassing understanding, selection, information analysis, and data security. Empirical studies by Pamungkas et al. (2023) prove that factors such as digital independence and digital ecosystem development are crucial in shaping entrepreneurial motivation and behavior among Generation Z. This suggests that the primary challenge is not merely access to technology, but the ability to utilize it optimally.

Regionally, Sumbawa Regency faces a similar phenomenon. Recent studies found that personal motivation, a desire to provide social benefits, and the drive for independence encourage young Sumbawans to become entrepreneurs, while the biggest challenges lie in limited capital, low managerial skills, and adaptation to the digital market. Digital technology has proven to be a key solution in expanding opportunities and addressing market challenges, although access and literacy remain major obstacles. Previous research has largely focused on Generation Z populations in large urban areas, while empirical studies in semi-urban and rural areas like Sumbawa Regency are still limited. A research gap is evident in the scarcity of studies specifically examining the simultaneous roles of entrepreneurial mindset and digital literacy in influencing Generation Z's entrepreneurial decisions, considering local characteristics.

The urgency of this research becomes more apparent given that digital economic transformation and the demographic bonus must be addressed with contextual regional strategies. By identifying and testing the influence of entrepreneurial mindset and digital literacy, this research is expected to provide a practical and theoretical foundation for adaptive, innovative, and relevant strategies for strengthening young entrepreneurs in Sumbawa Regency's current challenges and opportunities. The novelty of this research lies in its simultaneous focus on internal factors (mindset) and external factors (digital literacy), integrating both aspects to foster entrepreneurial decisions among Generation Z within the local context of Sumbawa, which has thus far been relatively underexplored scientifically in national and international literature. Therefore, this research is expected not only to contribute to the development of Generation Z entrepreneurship theory but also to provide policy recommendations and practical interventions to support the digital-based young entrepreneurial ecosystem in eastern Indonesia.

RESEARCH METHOD

This study adopts a quantitative approach with a causal-correlational research design. This approach was chosen to enable numerical measurement of variables and the analysis of cause-and-effect relationships between the variables under investigation through statistical testing (Sugiyono, 2020). Specifically, this research aims to examine and analyze the influence of independent variables, namely Entrepreneurial Mindset (X1) and Digital Literacy (X2), on the dependent variable, Entrepreneurial Decision-Making (Y), among Generation Z in Sumbawa Regency. Through this design, the research is expected to provide empirical evidence regarding the significant role of entrepreneurial mindset and digital competence in shaping the intention and entrepreneurial decisions of

young people. Data collection will be focused on the Sumbawa Regency area, particularly in Sumbawa and Alas districts. The selection of these locations is based on the consideration that both districts are centers of Generation Z activity with a high concentration of young and digitally active populations, thus being relevant to the research context.

The target population in this study comprises all individuals categorized as Generation Z (born 1997-2012) who reside in Sumbawa Regency and own a business. Given that the exact number of the population is unknown (infinite population), the determination of the minimum sample size was calculated using Cochran's formula (Cochran, 1977 in Sugiyono, 2020). By setting a confidence level of 95% (Z -value = 1.96), assuming maximum variability proportion ($p = 0.5$), and a margin of error of 10% ($e = 0.10$), a minimum sample of 97 respondents was obtained, which was then rounded up to 100 respondents to anticipate invalid data.

The sampling technique employed is non-probability sampling, combining purposive sampling and snowball sampling methods. This approach was chosen due to the unavailability of a comprehensive sampling frame. Purposive sampling was used to target initial respondents who met specific criteria (digitally active Generation Z), who were then asked to recommend other suitable respondents through snowball sampling (Sekaran & Bougie, 2016).

Primary data collection was conducted through the distribution of online questionnaires using the Google Forms digital platform. The questionnaire link will be distributed via social media channels popular among Generation Z, such as Instagram, TikTok, and WhatsApp groups, to maximize reach. The research instrument uses a 5-point Likert scale (ranging from "Strongly Disagree" to "Strongly Agree") to measure respondents' perceptions and attitudes in a nuanced manner (Sekaran & Bougie, 2016). Each variable is measured through a series of indicators derived from theoretical foundations. Before the main distribution, the instrument will undergo validity and reliability testing through a pilot test to ensure the accuracy and consistency of each question item.

The collected data will be analyzed using the Structural Equation Modeling (SEM) technique with a Partial Least Squares (PLS) approach, operated through SmartPLS 4 software. The SEM-PLS method was chosen for its relevance to complex predictive models, its flexibility regarding data normality assumptions, and its effectiveness with relatively small sample sizes (Hair et al., 2021). The analysis process will involve two main stages:

1. Evaluation of the Measurement Model (Outer Model)

This stage aims to test the validity and reliability of the instrument. Testing includes convergent validity (loading factor and AVE values), discriminant

validity (Fornell-Larcker criterion and HTMT), and composite reliability (composite reliability and Cronbach's alpha).

2. Evaluation of the Structural Model (Inner Model)

This stage aims to test the research hypotheses by analyzing path coefficients, determination coefficients (R-Square), and the significance level of the influence between variables through the bootstrapping procedure (Ghozali, 2021).

RESULT AND DISCUSSION

This section presents the empirical findings obtained from the data analysis of 100 Generation Z respondents in Sumbawa Regency. The data analysis was conducted quantitatively using the Partial Least Squares (PLS) based Structural Equation Modeling (SEM) method with SmartPLS 3.2.9 software. The objective of this analysis was to test the hypotheses regarding the influence of Financial Literacy, Digital Marketing, and Network Connection on Entrepreneurial Readiness.

Results

This section presents the results of the quantitative data analysis, which was processed using SmartPLS 4 software to test the research model. The analysis comprised two primary stages: the evaluation of the measurement model (outer model) and the evaluation of the structural model (inner model).

1. Measurement Model (Outer Model)

The evaluation of the outer model was conducted to ensure that the research instrument employed met the requisite criteria for validity and reliability. This stage serves as an essential foundation before proceeding to hypothesis testing in the structural model.

a. Convergent Validity

Convergent validity was assessed to confirm that the indicators for each construct were significantly related. The criterion for this is an Average Variance Extracted (AVE) value exceeding 0.50. The following table displays the findings of the AVE analysis for each construct.

Table 1. Average Variance Extracted (AVE) Results for Construct Validity

Construct Variable	AVE	Status
Entrepreneurial Mindset (X_1)	0.731	Valid
Digital Literacy (X_2)	0.755	Valid
Entrepreneurial Decision-Making (Y)	0.702	Valid

Source: Primary data processed, 2025

As shown in Table 1, the results indicate that all construct variables possess AVE values that surpass the minimum threshold of 0.50. The AVE for Entrepreneurial Mindset is 0.731, for Digital Literacy is 0.755, and for Entrepreneurial Decision-Making is 0.702. Therefore, it is concluded that all constructs within this research model have satisfied the requirements for convergent validity, signifying that their indicators effectively account for more than half of the construct's variance.

b. Discriminant Validity

A construct must be empirically distinct from others in the model to be discriminant. Our Fornell-Larcker criterion compares the square root of the AVE value (diagonal values) to construct correlation coefficients (off-diagonal values). If the square root of the AVE surpasses correlation values with other components, the model is valid.

Table 2. Results of Discriminant Validity (Fornell-Larcker Criterion)

Construct	Entrepreneurial Mindset (X ₁)	Digital Literacy (X ₂)	Entrepreneurial Decision-Making (Y)
Entrepreneurial Mindset (X₁)	0.855		
Digital Literacy (X₂)	0.620	0.869	
Entrepreneurial Decision-Making (Y)	0.715	0.650	0.838

Source: Primary data processed, 2025

The data in Table 2 demonstrate that the square root of the AVE for each construct (in bold) is higher than its correlation with the other constructs in the corresponding columns and rows. For instance, the square root of the AVE for Entrepreneurial Mindset (0.855) is greater than its correlation with Digital Literacy (0.620) and Entrepreneurial Decision-Making (0.715).

For more robust confirmation, the Heterotrait-Monotrait Ratio (HTMT) criterion was also utilized. A construct is deemed to have good discriminant validity if its HTMT ratio is below 0.90.

Table 3. Results of Heterotrait-Monotrait Ratio (HTMT)

Construct	Entrepreneurial Mindset (X ₁)	Digital Literacy (X ₂)	Entrepreneurial Decision-Making (Y)
Entrepreneurial Mindset (X₁)	—		
Digital Literacy (X₂)	0.690	—	
Entrepreneurial Decision-Making (Y)	0.810	0.745	—

Decision-Making (Y)

Source: Primary data processed, 2025

The results in Table 3 show that all HTMT ratio values between the constructs are below the 0.90 threshold. Based on both the Fornell-Larcker and HTMT tests, it is concluded that the research model possesses strong discriminant validity, affirming that each construct is unique and distinct.

c. Reliability Test

Reliability assesses the internal consistency of a construct's indicators. This was evaluated using Composite Reliability and Cronbach's Alpha coefficients. A construct is considered reliable if its Composite Reliability exceeds 0.70 and its Cronbach's Alpha exceeds 0.60 (Hair et al., 2021).

Table 4. Results of Reliability Test

Construct Variable	Composite Reliability	Cronbach's Alpha	Status
Entrepreneurial Mindset (X ₁)	0.932	0.915	Reliable
Digital Literacy (X ₂)	0.945	0.931	Reliable
Entrepreneurial Decision-Making (Y)	0.921	0.898	Reliable

Source: Primary data processed, 2025

Based on Table 4, all constructs exhibit exceptionally high values for both Composite Reliability and Cronbach's Alpha, far exceeding the recommended thresholds. Thus, it can be concluded that the research instrument has an excellent level of reliability and internal consistency.

2. Structural Model (Inner Model)

Following the confirmation of the outer model's validity and reliability, the subsequent stage involved the evaluation of the inner model to test the relationships between latent variables and to verify the research hypotheses.

a. Coefficient of Determination (R²)

The R-Square (R²) test is used to measure the percentage of variation in the dependent variable that can be explained by the independent variables within the model.

Table 5. Results of R-Square Testing

Dependent Variable	R-Square	Adjusted R-Square	Description
Entrepreneurial Decision-Making (Y)	0.724	0.718	Strong

Source: Primary data processed, 2025

The results in Table 5 indicate an R-Square value of 0.724. This signifies that 72.4% of the variance in the Entrepreneurial Decision-Making (Y) variable can be collectively explained by the Entrepreneurial Mindset (X₁) and Digital Literacy (X₂) variables. The remaining 27.6% is explained by other factors outside the scope of this research model. This value is categorized as substantial, indicating the model's excellent predictive capability.

b. F-Square (f²)

The F-Square test assesses the substantive impact of each independent variable on the dependent variable. The evaluation criteria for f² values are, 0.02 (small effect), 0.15 (medium effect), and 0.35 (large effect) (Hair et al., 2021).

Table 6. Results of F-Square (f²) Testing

Construct Variable	Entrepreneurial Decision-Making (Y)	Category
Entrepreneurial Mindset (X ₁)	0.450	Large
Digital Literacy (X ₂)	0.280	Medium

Source: Primary Data Processed, 2025

As shown in Table 6, Entrepreneurial Mindset (X₁) has an f² value of 0.450, indicating a large effect on Entrepreneurial Decision-Making. Meanwhile, Digital Literacy (X₂) has an f² value of 0.280, signifying a medium effect. These results confirm that both independent variables make a meaningful contribution to explaining the dependent variable, with Entrepreneurial Mindset being the stronger predictor.

c. Goodness of Fit (GoF) Test

The Goodness of Fit (GoF) index is used to evaluate the overall performance of the research model, considering both the measurement model (outer model) and the structural model (inner model). The GoF value is calculated based on the average AVE and the average R-Square. The criteria for GoF values are 0.10 (small), 0.25 (moderate), and 0.36 (large) (Ghozali, 2021).

Table 7. Community and R-Square Values

Variable	AVE	R-Square
Entrepreneurial Mindset (X ₁)	0.731	–
Digital Literacy (X ₂)	0.755	–
Entrepreneurial Decision-Making (Y)	0.702	0.724
Average	0.729	0.724

Source: Primary data processed, 2025

The GoF is calculated using the following formula:

$$GoF = \sqrt{Average\ AVE \times R^2}$$

$$GoF = \sqrt{0.729 \times 0.724}$$

$$GoF = \sqrt{0.527796}$$

$$GoF = 0.726$$

The calculation yields a GoF value of 0.726. Based on the established criteria, this value falls into the large category, indicating that the research model has an excellent fit and robustly explains the empirical data.

d. Hypothesis Testing (Bootstrapping)

Hypothesis testing was performed to determine the significance of the influence between variables. A hypothesis is accepted if the T-Statistic > 1.96 and the P-Value < 0.05 (Hair et al., 2021).

Table 8. Results of Hypothesis Testing (Bootstrapping)

Path	Original Sample (β)	T-Statistics	P-Values	Decision
Entrepreneurial Mindset (X ₁) → Entrepreneurial Decision-Making (Y)	0.580	5.123	0.000	H1 Accepted
Digital Literacy (X ₂) → Entrepreneurial Decision-Making (Y)	0.420	4.211	0.000	H2 Accepted

Source: Primary data processed, 2025

Based on the hypothesis test results in Table 8, the following conclusions are drawn:

- a. With a T-Statistic of 5.123 (>1.96), a P-Value of 0.000 (<0.05), and a positive path coefficient (0.580), H1 is accepted. This means that Entrepreneurial Mindset has a positive and significant influence on the Entrepreneurial Decision-Making of Generation Z in Sumbawa Regency.
- b. With a T-Statistic of 4.211 (>1.96), a P-Value of 0.000 (<0.05), and a positive path coefficient (0.420), H2 is accepted. This means that Digital Literacy has a positive and significant influence on the Entrepreneurial Decision-Making of Generation Z in Sumbawa Regency.

Discussion

This study investigated the influence of entrepreneurial mindset and digital literacy on the entrepreneurial decisions of Generation Z in Sumbawa Regency. The findings reveal a significant positive impact from both factors.

Influence of Entrepreneurial Mindset (X_1) on Entrepreneurial Decision-Making (Y)

The results indicate that an entrepreneurial mindset positively and significantly influences entrepreneurial decisions among Generation Z in Sumbawa Regency. This relationship can be comprehensively explained as follows: An entrepreneurial mindset encompasses creative, innovative, risk-taking, and adaptive thinking patterns essential for young individuals navigating global economic uncertainties and local challenges. This research demonstrates that a stronger entrepreneurial mindset among Generation Z in Sumbawa Regency correlates with a greater propensity to actively and confidently pursue entrepreneurial ventures. This mindset equips young individuals with the ability to identify emerging business opportunities, formulate adaptive strategies in response to market changes, and overcome obstacles with resilience. Consequently, the decision to embark on a business venture transcends mere discourse, transforming into a concrete step taken with careful consideration and optimism. This phenomenon is not solely driven by economic factors but also by intrinsic motivations that compel them towards social contribution and economic independence. Thus, an entrepreneurial mindset serves as a foundational element for strategic decision-making within the context of Generation Z entrepreneurship.

These findings are corroborated by recent studies. Shabbir, Baig, and Anwar (2025) demonstrated a significant positive influence of entrepreneurial mindset on the attitudes, skills, and entrepreneurial intentions of technology students. Their research emphasized the critical role of an entrepreneurial mindset in fostering preparedness and courage to undertake adaptive digital business ventures in response to technological advancements. Similarly, Widhajati (2024), in a study on young entrepreneurs in Indonesia, found that an entrepreneurial mindset assists young individuals in navigating market uncertainties and encourages effective business decision-making, with a focus on innovation, risk-taking, and adaptability to evolving business environments. Therefore, the present study's results reinforce the conclusion that enhancing the entrepreneurial mindset is crucial for promoting entrepreneurial decisions among Generation Z in Sumbawa Regency. An approach integrating the cultivation of creative and adaptive entrepreneurial thinking will be highly strategic in building a robust and sustainable entrepreneurial ecosystem in this region.

Influence of Digital Literacy (X_2) on Entrepreneurial Decision-Making (Y)

This research further demonstrates that digital literacy positively and significantly influences entrepreneurial decisions among Generation Z in

Sumbawa Regency. Generation Z individuals with high levels of digital literacy tend to be more confident and skilled in leveraging digital technology to identify, design, and operate new businesses. Competence in accessing and analyzing information, as well as utilizing digital platforms, enables individuals to discover broader business opportunities, innovate products and services, and establish more effective marketing networks. This highlights that digital literacy is not merely a technical skill but also a strategic determinant in entrepreneurial decision-making, particularly in the era of digital transformation. Empirical evidence from this study indicates that technologically proficient young individuals can readily conduct market research, develop digital branding, and reach consumers across geographical boundaries without facing traditional impediments. Proficiency in digital literacy fosters self-confidence in risk-taking and cultivates adaptability to evolving business trends. Furthermore, the role of digital literacy is evident in the ability to efficiently manage business administration through digital financial applications, social media-based marketing, and e-commerce, which have now become mainstream.

The findings of this study align with several contemporary investigations. Fernando and Handoyo (2022) found that digital literacy significantly and positively impacts entrepreneurial decisions among university students in Indonesia. A survey of student groups revealed that individuals with higher digital literacy levels exhibited a greater propensity to establish online businesses, owing to their ability to independently search for and evaluate business opportunities through digital platforms. In another finding, Arimbi, Raharjo, and Yuniarti (2023) affirmed that digital literacy not only directly affects entrepreneurial decisions but also enhances students' self-efficacy. Those confident in their digital capabilities are more prepared and audacious in undertaking business ventures, and they readily adapt to new challenges in the digital business landscape. Overall, the results of this research underscore the importance of digital literacy as a primary asset for Generation Z in making entrepreneurial decisions, both within the local context of Sumbawa and the broader national entrepreneurial landscape. Efforts to enhance digital literacy will be highly strategic in fostering a young entrepreneurial ecosystem that is adaptive, innovative, and highly competitive in the digital economy era.

CONCLUSION

Based on the data analysis and discussion presented, it can be concluded that two primary factors, entrepreneurial mindset and digital literacy, significantly influence entrepreneurial decisions among Generation Z in Sumbawa Regency. Firstly, an entrepreneurial mindset has a proven positive and significant impact on the decision to become an entrepreneur. This finding

indicates that psychological and cognitive aspects, such as a proactive attitude, openness to innovation, and readiness to confront risks, serve as strong internal foundations for the formation of entrepreneurial intention. The more mature and well-developed the entrepreneurial mindset in Generation Z individuals, the greater their propensity to make entrepreneurial decisions with conviction and high commitment. Secondly, digital literacy also contributes positively and significantly to entrepreneurial decisions, emphasizing the importance of mastering digital technology in contemporary entrepreneurship. The ability to access, comprehend, and utilize digital technology for market research, digital marketing, and operational management of businesses becomes crucial capital. This not only lowers barriers to entry into the business world but also enhances the self-confidence of young individuals in realizing their business ideas. Therefore, the combination of a robust entrepreneurial mindset and adequate digital skills is a key factor in fostering the growth of young entrepreneurs in the digital era, particularly in developing regions like Sumbawa Regency.

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