

Understanding Entrepreneurial Leadership Model of Gen Z in Confucian Values Frames

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Abstract

For many decades, Chinese ideals have been ingrained in Indonesian heritage culture. Chinese ideals may be seen in almost every area of Indonesian culture and are effectively integrated. It is conceivable that Chinese ideals exist in the lives of Indonesian people, such as in their beliefs, perceptions, and behaviors which are prevalent in the Tionghoa or Indonesian Chinese leadership region. The purpose of this study was to determine if these values are also present in entrepreneurial sectors, focusing on the entrepreneurial leadership of the generation Z in the West Java, Indonesia, by using Confucian values as the root. The data were collected randomly from 127 Entrepreneurship students at private institutions with varying business levels and then processed using Smart PLS. The findings indicated that Confucian principles seen in entrepreneurial leadership of the generation Z comprised five categories: moral character, human heartedness, human connection, lifelong learning, and moderation. This study is a major addition to hitherto unexplored areas of entrepreneurial leadership research. This study is unique in that it is the first to examine the Confucian values dimension among Indonesian entrepreneurs of generation Z. Cultural leadership and entrepreneurial leadership research benefit from this study as it offers a unique cultural perspective that might not be applicable in other countries or locations.

Keywords

Entrepreneurial Leadership, Confucian Entrepreneurship, Generation Z, Cultural Leadership

1. Introduction

For many decades, Chinese ideals have been ingrained in Indonesian heritage cultures. Chinese ideals may be seen in almost every area of Indonesian culture and are effectively integrated in their beliefs, perceptions, and behaviors. Previous studies have shown that Chinese ideals are prevalent in the Tionghoa or Indonesian Chinese leadership regions (Giblin, 2003; Lasserre, 1992; Mulyani & Ratnapuri, 2020; Wegars, 1993). The values of Chinese culture are traced in Indonesian history. They are part of Indonesian values that are clearly identified. Nevertheless, some of the authentic values of Chinese culture could still be found in the Chinese overseas families, like language, art, culture and belief. One of the Chinese cultural values is Confucian values (Cheng et al., 2020; Kao, 1993; Yeung & Tung, 1996). Confucian values unite the Chinese overseas and their motherland, which is deemed powerful (Kao, 1993; Obschonka et al., 2018).

The Chinese Indonesians (Tionghoa) are commonly known as successful business personas, associating successful stories of many tionghoa businesses with ethnicity. This kind of thinking is not totally wrong as behavior and responses to some events to a great extent are influenced by culture. The success stories of Chinese leaders who are from “zero to hero”, are new. They may not come from well-to-do families but manage to be successful in their business and become rich through hardship.

A study has been conducted on leadership values among senior Chinese leaders in Tionghoa ethnicity organizations of the West Java (Mulyani & Ratnapuri, 2020). This paper shows that the leadership of Tionghoa (Indonesia Chinese overseas) is related to the Chinese values and belief. They rule organizations through family-centred approach. Leadership is like a big tree that gives protection and oases for the people who stay under them. They treat the followers as the family, like the father who treat and care for his children. This concept increases the loyalty and trust from the followers. In line with the previous studies, this paper was to study the concept of Chinese values in the new entrepreneurial firms that are owned and led by the young generations in the West Java.

This paper proposed a Chinese leadership framework for the West Java's young entrepreneurs through assessing entrepreneurial leadership attributes of the young entrepreneurial leaders by using the Confucian values for the Chinese leadership.

2. Literature Review

Chen (2001) believes that understanding Confucius's teachings as a component of social conduct is critical to comprehend Chinese people. This is because Confucius is part of the Chinese people's cultural legacy (Lin 2010). The significance of the family is one of the most conspicuous manifestations of Confucius's teachings in the contemporary Chinese society. Confucians believe that family is the foundation of all relationships. They have a proclivity for prioritizing family concerns above business and other objectives (Ahlstrom et al 2004). For the Chinese, family is essential. "The family is the fundamental and archetypal unit of all organizations, from social groups to educational institutions to political parties" (Chen 2001). Lassere (1993) discovered that the Confucian morality is the bedrock of social structure and conduct that has been endured by conglomerates for thousands of years in Indonesia.

In 2006, Hill researched Chinese culture, values and behavior through Confucian framework and perspective. One of the things to be investigated further is the characteristics of the Chinese management style which is connected with Confucian values (Hill, 2006). The study concludes that Chinese leadership is influenced by three Confucian values namely Te, Ren and Yi. While Te refers to the power of men and paternalistic style, Ren is an ideal relationship based on humanity and benevolence. Yi refers to the behavioral rules that should be implemented in daily life. Confucian leadership was developed from the Confucian perspective or norms taught and practiced for approximately 3000 years ago. According to Cheung and Chan (2008), Chinese leadership styles are characterized by connection building, moral behavior, hierarchical and centralized structure, as well as humility and self-effacement. These techniques foster employee trust, collaboration, competency, and other accomplishments. Chinese leadership styles appear to contribute to security theory in which followers' security appears to mediate the relationship between leadership practices and outcomes (Cheung & Chan, 2008).

Sheh Seow Wah's (2010) study examined the relevance and implications of Confucianism in contemporary society, notably in the areas of leadership and organization. The study examines Chinese cultural values, Confucianism, and its consequences for Chinese management. The five critical Confucian value dimensions may be utilized to influence a leader's conduct and are included in the Chinese leadership style. Confucian principles are defined by five pillars: moral integrity, humaneness, human interactions, lifelong learning, and moderation.

Previous study on Chinese leadership ideals among senior Chinese leaders in the West Java was conducted by the Tionghoa ethnic group (Mulyani & Ratnapuri, 2020). This study established that Tionghoa's (Indonesia Chinese abroad) leadership embodies Chinese values and beliefs. They exercise control over the company in a family-centric manner. They are personified as the great tree, who will provide protection and oases for those who remain under them. They regard their followers as family members, just as a father would treat and care for his children. This notion increases followers' loyalty and trust. As with prior research, the goal of this study was to examine the notion of Chinese values in a new entrepreneurial enterprise owned and led by a young generation in the West Java.

3. Methodology

The article's major goal was to compare entrepreneurial leadership attributes with Confucian values. This study established the legitimacy of Chinese leaders' proclaimed Confucian ideals in Indonesia (Tionghoa). This study was to track the portrayal of Confucian ideals in the entrepreneurial realms, specifically among the young entrepreneurial leaders, comprising Entrepreneurial students at the University of West Java Private Business. The data were gathered by using surveys that addressed the five dimensions of Confucian Chinese leadership. Smart PLS was used to process data from 126 questionnaires distributed randomly to entrepreneurial students at the West Java Private University.

4. Data Collection

The questionnaire consisted of 21 indicators from the three dimensions of Confucian as Chinese cultural context in entrepreneurial leadership. The data were collected from 126 respondents of the Private Business University Students. The constructs of the Chinese Leadership are as follows:

Table 4.1. Dimension and Characters

Dimension	Code	Characteristic	Reflect in the following attitude
Moral Character	MR1	Benevolent	When deciding something that prioritizes conscience over existing rules
	MR2	Insightful	Understand with certainty the vision and mission of the association and its personal vision and mission
	MR3	wise and respected	When there is a conflict, the Chairman is always able to resolve it
	MR4	considerate	Pay special attention to the development of people's characteristics
	MR5	Discipline and self-control	Show a disciplined attitude and always be able to control emotions well
	MR6	Respect for others	Treat every member, administrator, and employee with respect
	MR7	Be a role model	His attitude, actions, and discipline should be used as an example
	MR8	Rule by virtue	Trusted and received support because of his virtues
Human Heartedness	HH1	Prioritized Equality and Fairness	Shows an attitude of loving everyone without discrimination
	HH2	Humanist	Serving everyone from the lowest even with the same treatment
	HH3	Showing trust	showing trust in subordinates
	HH4	compassionate	Likes to share and shows concern for others
	HH5	Selfless	Not claiming the results of the work carried out by the group in his personal name
	HH6	Noble	If there is a failure, never blame the environment and/or other people for the failure
	HH7	prioritize virtue	Always build a relationship full of courtesy, friendliness, and kindness with members rather than violence and coercion to comply with their wishes
Human Relationship	HR1	Prioritizing Social Sensitivity (<i>renqing</i>)	Feeling that they have a moral responsibility towards their employees, in difficult times, laying off employees is the last option
	HR2	Full of affection	His attitude and behavior shows concern for the welfare of employees and association members
Life long learning	LLL 1	Lifelong learner	Provide support to subordinates who have an interest in learning
	LLL 2	Proactive in supporting learning	Give time tolerance to subordinates who work while taking lectures or courses
Moderation	Mod 1	Prioritizing the principle of harmony (<i>Zhongyong</i>)	Holding firm to his/her principles and belief
	Mod 2		Have a flexible approach to reach their goals

5. Results and Discussion

5.1. Outer model

The validity of reflective indicators was tested by using the correlation between item and construct scores. Measurements with reflective indicators indicate a change in an indicator in a construct if other indicators in the same construct change (or are removed from the model). Reflective indicators are suitable for measuring perception so that this study used reflective indicators. This study employed seven indicators for Silih asuh, eleven indicators for Silih asah and four indicators for Silih Asih. The indicators built were based on the previous study in Chinese leadership ((Mulyani & Ratnapuri, 2018a). The data were analyzed using Smart PLS and the first data process showed several indicators below the expected score (<0,7). The data below the score were eliminated and the remaining data were reprocessed. Table 5.1 showed that the loading factor scores were above the recommended value of 0.7. Hence, the indicators used in this study were valid or met convergent validity.

Table 5.1. Outer loading

	Human Relationship	Human Heartedness	Life Long Learning	Moderation	Moral Character
HH4		0,778			
HH6		0,850			
HH7		0,809			
HR1	0,864				
HR2	0,906				
LLL1			0,883		
LLL2			0,584		
MR7					0,834
MR8					0,813
Mod1				0,823	
Mod2				0,785	

The reliability test was carried out by analyzing the composite reliability value of the indicator block that measured the construct. The results of composite reliability will show a satisfactory value if it is above 0.7. Table 5.2 shows the composite reliability value in the output:

Table 5.2. Composite Reliability

	Composite Reliability
Moral Character	0,808
Human Heartedness	0,854
Human Relationship	0,879
Lifelong Learning	0,710
Moderation	0,785

The results showed the composite reliability values for all constructs were above 0.7, indicating that all constructs in the estimated model met the discriminant validity criteria.

5. 2. Inner model

After the estimated model met the Outer Model criteria, the next step was to test the structural model (Inner model). Table 5.4 shows the R-Square values in the construct:

Table5.4. R Square

	R Square
Moral Character	0,729
Human Heartedness	0,788
Human Relationship	0,625
Lifelong Learning	0,532
Moderation	0,639

The results showed that the dimension of Chinese leadership had a strong relationship with entrepreneurial leadership in the West Java which can be seen from the R Square score for each entrepreneurial leadership dimension. Figure 1 shows the proposed research model.



Figure 1. Research Model

The results yielded that the dimension of Chinese Leadership was strongly related to entrepreneurial leadership in the West Java. This results showed that the values of Confucianism could be applied and adopted in the area of entrepreneurship among digital generations. Among the five dimensions, human heartedness and human relationship had stronger relationship to entrepreneurial leadership than other dimensions. This result is in line with the previous results found in Sundanese cultural study of the West Java (Mulyani & Ratnapuri, 2018b). In the West Java, especially among the Sundanese community, the values of relationship, respect for people and kind treatment toward others are part of West Java culture.

Tabel 5.5 Dimension of Entrepreneurial Leadership in Chinese Values

No	Entrepreneurial Leadership Dimensions	Definition
1.	<i>Moral Character</i>	Entrepreneurial leadership that emphasizes moral values and commitment that is implemented in attitudes, words and behavior.
2.	<i>Human-heartedness</i>	Entrepreneurial leadership that emphasizes human values, full of compassion and benevolence
3.	<i>Human relationship</i>	Entrepreneurial leadership that treats subordinates and their relationships with respect, empathy and humanity
4.	<i>Life long learning</i>	Entrepreneurial leadership that emphasizes the passion for learning and sharing knowledge
5.	<i>Moderation</i>	Entrepreneurial leadership that emphasizes consistency and harmony between thoughts, words and behavior

From the results, the entrepreneurial leadership concept employed by the young Entrepreneur leader consisted of several characteristics that adhered to the five dimensions of the Chinese Leadership. The leaders must:

- Be a role model for their subordinates,
- Have personal quality that could be trusted,
- Be compassionate to their team and subordinates,
- Have noble personality by not blaming others for failure,
- Prioritize virtue in building relationship within organizations, kindness and good attitude in treating the subordinates,
- Have *renqing* (social sensitivity), that make them sensitive to their subordinates' problems,
- Display affection, give a hand voluntarily for helping their subordinate' welfare
- Be a lifelong learner that fully support learning environment, having open mind in sharing knowledge
- Prioritize *zhongyong* principle in their leadership, reflecting consistent behavior and flexible approach when dealing with ways to achieve some goals

6. Conclusion

In conclusion, Confucian principles are apparent in entrepreneurial leadership of the generation Z, comprising five categories namely moral character, human heartedness, human connection, lifelong learning, and moderation. This study shows that the leadership of Tionghoa (Indonesia Chinese overseas) contains Chinese values and belief. The leaders rule the organization via family-centred approach. This study is a major addition to hitherto unexplored areas of entrepreneurial leadership research. Cultural and entrepreneurial leadership research benefit from this study as it offers a unique cultural perspective that might not be applicable in other countries or locations.

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