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## MARKETING | RESEARCH ARTICLE

# The Effect of Family Business Exposure on Entrepreneurial Intention Through Coercive, Normative, Mimetic Pressure: A Study on the Second Generation of Family Business Successors in Jombang, Indonesia

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**Abstract:** This research examines the influence of family business exposure on entrepreneurial intention through coercive, normative, and mimetic pressure. The variables used in the study are family business exposure, entrepreneurial intention, coercive pressure, normative pressure, and mimetic pressure. The population in this study is second-generation business actors who continue the family business in Jombang. The sampling technique used was purposive sampling. Questionnaires were distributed via Google Forms to respondents who were second-generation entrepreneurs who had continued their family business in Jombang. This research obtained 140 samples, and 138 samples were suitable for analysis. Data were analyzed with Smart PLS software and using path analysis. The research results show that family business exposure influences entrepreneurial intention through coercive, normative, and mimetic pressure on second-generation business actors who continue the family business in Jombang.

**Keywords:** Family Business Exposure, Entrepreneurial Intention, Coercive Pressure, Normative Pressure, Mimetic Pressure.

**JEL Classification Code:** L26, L25, M13, O12, J16

## 1. INTRODUCTION

The current condition of family business development in Indonesia, according to PwC research in 2022, is that 65% of next-generation family business members prioritize the main thing in achieving business growth. Family business owners say it is essential to maintain opportunities to lead sustainable business practices from the family to create value for future generations. Family business owners realize that new approaches and skills are needed to drive growth and maintain the business from the prominent family. Family business development data regarding index value is still considered lower than the corporate index value. In family business development, the regulatory authority is primarily the father, who runs the business and enjoys the leading position in the family. Entrepreneurs start, implement, and maintain business ventures by becoming leaders in the family. Family business entrepreneurs always move family norms and values. The success of entrepreneurs in managing family businesses and family leadership is because in family businesses, both large and small, most are under the command of one person who founded them from the start (Feltham, Feltham, & Barnett, 2005). Observations that family businesses, both large and small, are mainly under the command of one person who founded them from the beginning (Feltham, Feltham, & Barnett, 2005). Based on the results of interviews with 20 respondents who continued the family business, most were due to family coercion (50%), wanting the family business to progress (10%), and reasons to please the family (30%). Family coercion to please the family begins with the reason that the leader of the business has power in various ways because he has the power of funding, has the power to make

decisions, and can manage the role of the family in the business. External factors also cause family coercion and ultimately impact the family business's failure to survive in the second generation. The background of Javanese culture, especially the city of Jombang, adheres to the belief that parents must obey and be devoted to their parents. This culture of devotion and obedience is quite strong in the Javanese tribe, and children must always be ready to be positioned to follow the position and wishes of their parents, resulting in differences of opinion and interests between children and parents. Children who are not obedient and devoted to their parents are considered sinful or disobedient. This drives the coercion in pleasing the family (30%) because the child is deemed to have to give in more if a problem occurs, especially when there is a conflict with parents related to family business decisions. The child is deemed disobedient and rebellious, so it is considered taboo if critical statements, daring to argue, or even denying justification must be accepted with an open heart and with efforts to avoid a conflict. In Javanese culture, children who are devoted to their parents consider that the status of children in social life often experiences discrimination, so children who are considered less able to gain access to decision-making, especially those related to the family business.

According to research, 70% of family businesses cannot survive until the second generation. A few years ago, the pandemic impacted the decline in the productivity of family businesses because there were several cases of family business entrepreneurs dying due to the pandemic. The conditions after the pandemic encouraged family businesses to rise again. This is because 95% of family businesses contribute 82% to Gross Domestic Product and 40% to market capitalization in Indonesia. Family Business Exposure as a pattern of organizational culture and essential network relationships is developed by design because family businesses, if not introduced in a structured pattern, will make the successors of the family business understand the responsibility of creating or continuing the family business. Generational transfer conditions were forced to be carried out when a pandemic occurred if one of the family members, a family business entrepreneur, died. Family businesses are one of the hopes for realizing Indonesia's economic potential. Unfortunately, only around 30% of family businesses can survive until the second generation, and only around 13% in Indonesia can survive until the third generation. This small percentage shows a significant obstacle in maintaining the sustainability of family businesses. Family Business Exposure can be used as a medium for family members who will be the successors of the business to study various customer factors to understand the market and develop products. Family Business Exposure can be used as a family effort to expand markets and products and can also be used as a method for developing human resources from the successors of the family to create added value from products and services to meet the desires or needs of customers from existing business learning, both personal management businesses and family businesses (Dewi, 2022).

The relationship between the variables of this study is related to the Theory of Planned Behavior. Several factors influence the theory of planned behavior according to the theory, namely certain behavioral beliefs (attitude toward behavior), normative beliefs (subjective norms), and control beliefs (perceived behavioral control) (Ajzen, 2015). These various factors can be used as considerations in making decisions about specific behavioral actions, namely based on certain behavioral beliefs (attitude toward a behavior), normative beliefs (subjective norms), and control beliefs (perceived behavioral control), which are closely related to Coercive Pressure, Normative Pressure, and Mimetic Pressure. Entrepreneurial intentions show the characteristics of individual entrepreneurial intentions related to effective performance in specific work situations. (Zaman, Arshad, & Sultana, 2020), Entrepreneurial intention consists of three-dimensional characteristics: knowledge, attitude (behavior), and skills. According to research that has been conducted (Lawrence, Winn, & Jennings, 2011), entrepreneurial intention shows the ability to carry out tasks, roles, and duties, the ability to integrate knowledge, skills, attitudes, and personal values, and the ability to build knowledge and skills based on experience and learning especially in the field of entrepreneurship.

Family Business Exposure is often described as the atmosphere of the business environment when doing business. Family Business Exposure shows the relationship and pattern of organizational culture and business network relationship patterns (Zaman, Arshad, & Sultana, 2020). Family Business Exposure is essential to business continuity when running a family business. Family Business Exposure aims to strengthen the interaction between family business actors and the family business generation.

Meutia and Tubagus (2012) explained that creating a business network from the right family according to business needs will provide more significant business opportunities.

## 2. LITERATURE REVIEW

### 2.1. Theory Planned Behavior

The theory of Planned Behavior was designed by Fishben and Ajzen (1975). It can be described as a theory of planned behavior influenced by several factors according to the theory, namely certain behavioral beliefs (attitude toward behavior), normative beliefs (subjective norm), and control beliefs (perceived behavioral control). These various factors can be considered when making decisions about specific behavioral actions. This theory explains that the existence of certain behaviors is influenced by intention (Fishben & Ajzen, 1975). Intention is influenced by attitude toward behavior, subjective norms, and perceived behavioral control; these three factors are influenced by the existence of beliefs from each aspect related to behavioral beliefs, normative beliefs, and control beliefs (Ajzen, 2015).

### 2.2. Family Business Exposure

According to (Zaman, Arshad, Sultana, 2020), Family Business Exposure with a strong market orientation will prioritize (1) customers (e.g., likes and dislikes, satisfaction, and perceptions), (2) factors that influence customers (e.g., competition, economy, socio-cultural, trends, and so on), (3) factors that influence the company's ability to influence and satisfy customers, for example technology, regulations, services, and quality of products or services provided. Based on the definitions above, it can be concluded that Family Business Exposure is a method used in family businesses to identify markets and use them to determine business strategies for influencing entrepreneurship in the family. Family Business Exposure is measured by one item according to (Zaman, Arshad, & Sultana, 2020) in (Carr Sequeira, 2007) with research data processed using structural modeling equation (SEM PLS) items are measured on a Likert scale from 1 (strongly disagree) to 5 (strongly agree) with the following items:

#### Perceived Family Support

1. In managing a business, parents provide positive support when starting a business, alone or in a family business.
2. In managing a business, a partner or the most important person also provides positive support when starting a business, alone or in a family business.
3. In managing a business, older or younger siblings provide positive support when starting a business, alone or in a family business.
4. In managing a business, close relatives generally provide positive support when starting a business, alone or in a family business.

#### Attitude Toward Starting a Business

1. In managing a business, neighbors also provide positive support when starting a business, alone or in a family business.
2. In managing a business, co-workers also provide positive support when starting a business, either alone or in a family business.
3. In managing a business, in general, acquaintances or the surrounding environment provide positive support when starting a business, either alone or in a family business.
4. In managing a business, close friends provide positive support when starting a business, alone or in a family business.

### 2.3. Coercive Pressure

This coercive pressure starts with the family leader who runs the family business; over time, all family members feel impacted or influenced by the pressure. Young people develop entrepreneurial intentions because of the coercive pressure caused by their family business and pay attention to things

related to the company. (Wijayadne & Widjaja, 2023) Powerful actors determine policies and make decisions regarding career choice issues for the next generation in the family (Tandra, Santoso, Hartono, Hongdiyanto, & Ongkwojoyo, 2022). The entrepreneurial intention of the next generation of the family depends on parental approval regarding starting a new business or job. Successful entrepreneurs try to introduce the business generation politely or coercively to secure assets and resources (Zaman, Arshad, & Sultana, 2020). Coercive Pressure measurement indicators According to (Zaman, Arshad, & Sultana, 2020) (Shi, Shambare, & Wang, 2008), there are three items for Coercive Pressure items are measured on a Likert scale from 1 (strongly disagree) to 5 (strongly agree) as follows:

1. The business management system in this model is a variety of work tasks in the family business that require me to be directly involved in developing the family business.
2. The business management system in this model has various material benefits that can be obtained when participating in developing the family business.
3. The business management system in this model is a variety of extensive and quality networks with other companies, and coworkers force me to be directly involved in developing the family business.

#### 2.4. Normative Pressure

Individuals with business-oriented families may feel normative power because their parents expect them to be involved in business operations. The next generation of family businesses must consciously act the same way as the previous generation did (Ajzen, 2015). The family is a closed network in a business-oriented family by observing the actions of family members related to the business. Personal relationships, including friends and family, are also essential to normative pressure (Feltham, Feltham, & Barnett, 2005). Business-oriented families require individuals to interact with entrepreneurs in developing entrepreneurial intentions (Utami, Tambunan, Padmalia, & Bramantyo, 2021). Most people who display entrepreneurial behavior can influence the behavioral intentions of others (Carr & Sequeira, 2007). Normative Pressure measurement indicators according to (Zaman, Arshad, & Sultana, 2020) (Shi, Shambare, & Wang, 2008), there are three items for Normative Pressure items are measured on a Likert scale from 1 (strongly disagree) to 5 (strongly agree) as follows:

1. The business management system in this model, I also enjoy the material and non-material results of the current family business.
2. In The business management system in this model, various parties from the family and close relatives are involved in the current family business.
3. The business management system in this model, the family business, is very well known outside the family environment, such as the college environment, friends, etc.

#### 2.5. Mimetic Pressure

Successful businesspeople thrive on mimetic pressure, and many become entrepreneurs because they are inspired by others who are more successful in business. When the younger generation sees a successful family business, they feel interested in imitating how those people do business (Tandra, Santoso, Hartono, Hongdiyanto, & Ongkwojoyo, 2022). Successors to family businesses want to learn from people who have succeeded in their previous companies and are considered more experienced. They see senior business partners as good examples of success through hard work and perseverance (Wijayadne & Widjaja, 2023). The example of the younger generation motivates them to imitate the role of models from the same family and have been successful entrepreneurs, so the intention to become an entrepreneur is strengthened (Winardi, 2018). This example can teach and guide the younger generation about changes in entrepreneurship (Evald, Klyver, & Svendsen, 2006) (Hoffmann et al., 2015). Mimetic Pressure measurement indicators according to (Zaman, Arshad, & Sultana, 2020) (Shi, Shambare, & Wang, 2008), there are three items for Mimetic Pressure items are measured on a Likert scale from 1 (strongly disagree) to 5 (strongly agree) as follows:

1. The business management system in this model, family members who join to help the family business have prestige or a well-known large family business compared to other family members who do not choose to help develop the family business.
2. The business management system in this model is that family members who join to help the family business have a high profile.
3. The business management system in this model, family members who join to help the family business have a higher status symbol than other family members who do not choose to help develop the family business

## 2.6. Entrepreneurial Orientation

Entrepreneurial intention shows the characteristics of an individual's entrepreneurial intention related to effective performance in a particular work situation. According to Zaman, Arshad, and Sultana (2020), entrepreneurial intention consists of three-dimensional characteristics: knowledge, attitude (behavior), and skills. According to research that has been conducted (Lawrence, Winn, & Jennings, 2011), entrepreneurial intention shows the ability to carry out tasks, roles, and tasks, the ability to integrate knowledge, skills, attitudes, and personal values, and the ability to build knowledge and skills based on experience and learning especially in the field of entrepreneurship. Entrepreneurial intention is also known as knowledge and skills. The entrepreneurial intention in the scope of entrepreneurial management is related to the ability in the process of planning, organize, direct, and supervise various matters related to procurement, development, motivation, integration, maintenance, and termination of cooperation in the field of entrepreneurship (Feltham, Feltham, & Barnett, 2005). Entrepreneurial intention is measured with six items adopted from (Zaman, Arshad, & Sultana, 2020) (Linan & Chen, 2009). There are six items for Entrepreneurial intention; items are measured on a Likert scale from 1 (strongly disagree) to 5 (strongly agree) as follows:

1. Managing a business requires me to be ready to do anything to become an entrepreneur.
2. My professional goal is to become an entrepreneur.
3. I will do everything possible to start and run my company.
4. I am determined to continue the family business in the future.
5. I am very serious about developing the family business.
6. I firmly intend to grow the family business to be bigger and more profitable.

## 2.7. Hypotheses Framework

### a. *The Influence of Family Business Exposure on Coercive Pressure*

Family Business Exposure shows the relationship and pattern of organizational culture and business network relationship patterns (Zaman, Arshad, & Sultana, 2020). Family Business Exposure is an important thing related to business continuity in running a business that involves family members in learning and interacting in running the business. Meutia and Tubagus (2012) explained that creating a business network from the right family according to business needs will provide more significant business opportunities. Coercive Pressure occurs when parents force family members to do something according to their wishes without giving much space for family members to make their own choices (Deci & Ryan, 2012). The study results showed that this coercive pressure starts with the family leader who runs the business and forces the next generation of family business members to continue the business (Zaman, Arshad, & Sultana, 2020). For that reason, the hypotheses of this research:

H1: Family business exposure has a significant influence on coercive pressure.

### b. *The Influence of Family Business Exposure on Normative Pressure*

Family Business Exposure is often associated with the theory of planned behavior and social cognition to explain the role in the process and activities related to creating a family business by continuously assessing opportunities (Yeh, Chang, Hsu, Huang, & Yang, 2020). Family Business Exposure is an essential factor that allows family businesses to understand the market and develop

product and service strategies to meet customer and market needs. Family Business Exposure with a market orientation has a faster basis for improvement. It will be reflected in the success of the company's new flagship products, profitability, market share, and sustainable competitive advantage (Isoraite, 2016). The background of the family business can also build normative pressure on individuals in various ways. Business-oriented families involve family members (siblings or children) in different business operations. Normative power arises from a culture of expectations that makes individuals feel they must respect the family business (Zaman, Arshad, & Sultana, 2020). The study results indicate that individuals with business-oriented families may feel normative power because their parents expect them to be involved in business operations (Zaman, Arshad, & Sultana, 2020). For that reason, the hypotheses of this research:

H2: Family business exposure has a significant influence on normative pressure.

*c. The Influence of Family Business Exposure on Mimetic Pressure*

Family Business Exposure is often associated with the theory of planned behavior and social cognition to explain the role in the process and activities related to creating a family business by continuously assessing opportunities (Yeh, Chang, Hsu, Huang, & Yang, 2020). Family Business Exposure is an essential factor that allows family businesses to understand the market and develop product and service strategies to meet customer and market needs. Family plays the most crucial role in the psychological development of each individual. The younger generation tends to do business based on the family's orientation towards business (Guo et al., 2019). Examples of successful entrepreneurs influence the younger generation and help motivate them to start a business (Zaman, Arshad, & Sultana, 2020). The study results showed that successful business actors develop with mimetic pressure, influencing social actors to imitate the behavior of successful people. Family business exposure provides opportunities for the younger generation to mimic the behavior of successful entrepreneurs (Zaman, Arshad, & Sultana, 2020). For that reason, the hypotheses of this research:

H3: Family business exposure has a significant influence on mimetic pressure.

*d. The Effect of Coercive Pressure on Entrepreneurial Intention*

Coercive Pressure occurs when parents force family members to do something according to their wishes without giving much room for family members to make their own choices (Deci & Ryan, 2012). This coercive pressure starts from the family leader who runs the business and forces the next generation of family business members to continue the business. In a dynamic environment like today, entrepreneurial intention is fundamental. (Winardi, 2018) defines entrepreneurial intention as an intention related to learning about a person's values, abilities, and behaviors to create and innovate. The study's results show that a person's skills expressed in the form of behavior can influence the individual's drive to have a firm entrepreneurial intention to continue to innovate (Zaman, Arshad, & Sultana, 2020). For that reason, the hypotheses of this research:

H4: Coercive pressure has a significant influence on entrepreneurial intention.

*e. The Influence of Normative Pressure on Entrepreneurial Intention*

A family business background can also build normative pressure on individuals in various ways. Business-oriented families involve family members (siblings or children) in different business operations. Normative power arises from a culture of expectations that make individuals feel they must respect the family business (Zaman, Arshad, & Sultana, 2020). Individuals with business-oriented families may feel normative power because their parents expect them to be involved in business operations. In a dynamic environment like today, especially related to normative pressure influencing entrepreneurial intention, it is essential as an intention related to efforts to learn about one's values, abilities, and behaviors to create and innovate (Zaman, Arshad, & Sultana, 2020). For that reason, the hypotheses of this research:

H5: Normative pressure has a significant influence on entrepreneurial intention

*f. The Influence of Mimetic Pressure on Entrepreneurial Intention*

The family plays the most crucial role in the psychological development of each individual. The younger generation tends to do business based on the family's orientation towards business (Guo et al., 2019). The younger generation is influenced by examples of successful entrepreneurs, which helps motivate them to start a business (Zaman, Arshad, & Sultana, 2020). Successful entrepreneurs develop with mimetic pressure, which influences social actors to imitate the behavior of successful people. Exposure to family business provides opportunities for the younger generation to mimic the behavior of successful entrepreneurs. Entrepreneurial intention relates to efforts to learn about a person's values, abilities, and behavior to create and innovate. The results of the study show that mimetic pressure as a form of driving value in entrepreneurship is related to a person's values and abilities, which are expressed in the form of behavior that encourages individuals to have a firm entrepreneurial intention to continue to innovate (Zaman, Arshad, & Sultana, 2020). For that reason, the hypotheses of this research:

H6: Mimetic pressure has a significant influence on entrepreneurial intentions.

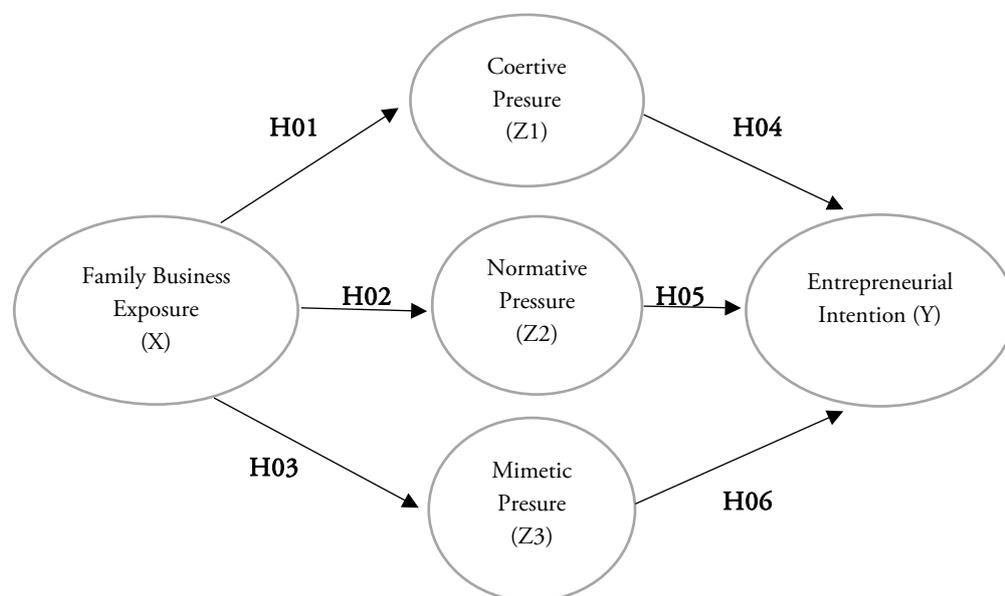


Figure 1. Conceptual Framework

### 3. RESEARCH METHOD AND MATERIALS

Partial least squares (PLS) with structural equation modeling (SEM) using the SmartPLS software is appropriate for this research for several reasons. Firstly, SEM-PLS allows for the simultaneous analysis of many dependent and independent variables, making it a good choice for complicated model analysis incorporating multiple constructs and indicators. Second, SEM-PLS is robust even with small to medium sample sizes, making it suitable for this research given the purposive sampling method and specific respondent criteria. This characteristic ensures reliable results despite potential deviations from normality. SEM-PLS is perfect for both exploratory and predictive research since it is prediction-oriented and maximizes the explained variance of dependent variables. In this study, SEM-PLS helps predict the relationships between these constructions. The method also offers flexibility in specifying the measurement and structural models, allowing for accurate modeling of the constructs involved. Using bootstrapping techniques in SEM-PLS for hypothesis testing enhances the robustness of the results. Bootstrapping assesses the significance of path coefficients without relying on parametric assumptions, thus rigorously testing hypotheses. Furthermore, a thorough assessment of the model's

explanatory and predictive capacity is made possible by SEM-PLS's extensive model evaluation metrics, which include R<sup>2</sup> (coefficient of determination), path coefficients, effect sizes (f<sup>2</sup>), and predictive relevance (Q<sup>2</sup>).

#### 4. RESULTS AND DISCUSSION

##### 4.1. Outer Model

The following is an illustration of the SEM diagram used in this research:

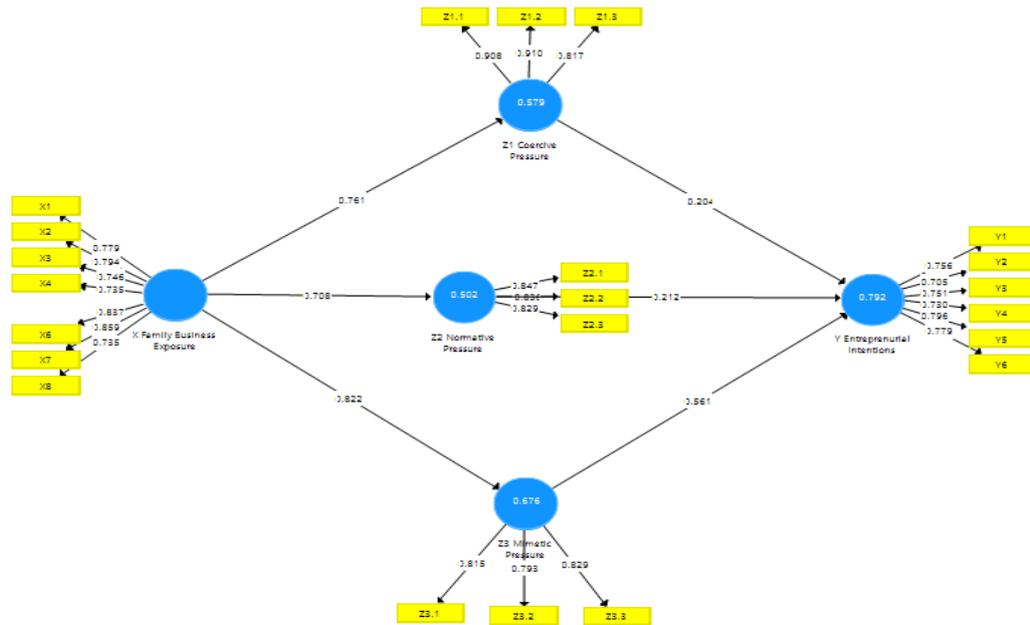


Figure 2. Loading Factor

The loading factor of each indicator on the variable has a minimum value of 0.6, and the Average Variance Extract (AVE) analysis has a minimum value of 0.5 but meets the requirements. Based on the table below, the results of convergent validity testing show that all variables have indicators with loading factor values of more than 0.6 or 0.5, meaning that all indicators have met the convergent validity criteria.

Table 1. Results of Loading Factor

	X Family Business Exposure	Y Entrepreneurial Intentions	Z1 Coercive Pressure	Z2 Normative Pressure	Z3 Mimetic Pressure
X1	0.779				
X2	0.794				
X3	0.746				
X4	0.735				
X6	0.837				
X7	0.859				
X8	0.735				
Y1		0.756			
Y2		0.705			
Y3		0.751			
Y4		0.730			
Y5		0.796			
Y6		0.779			
Z1.1			0.908		
Z1.2			0.910		

	X Family Business Exposure	Y Entrepreneurial Intentions	Z1 Coercive Pressure	Z2 Normative Pressure	Z3 Mimetic Pressure
Z1.3			0.817		
Z2.1				0.847	
Z2.2				0.836	
Z2.3				0.829	
Z3.1					0.815
Z3.2					0.793
Z3.3					0.829

Next, the AVE Method is used to assess the convergent validity of each construct and latent variable. The minimum value that is considered to be met is at least 0.5. The average variance extracted by AVE based on these SEM results is as follows:

**Table 2. Average Variance Extracted Value**

Variable	Average Variance Extracted (AVE)	Info
X Family Business Exposure	0.616	Valid
Y Entrepreneurial Intentions	0.568	Valid
Z1 Coercive Pressure	0.773	Valid
Z2 Normative Pressure	0.701	Valid
Z3 Mimetic Pressure	0.660	Valid

In table 2, the AVE value for the latent variable X Family Business Exposure (0.616), Y Entrepreneurial Intentions (0.568), Z1 Coercive Pressure (0.773), Z2 Normative Pressure (0.701), Z3 Mimetic Pressure (0.660). Thus, the measurement model is valid and meets the validity test requirements.

**Table 3. Cross Loading Value**

	X Family Business Exposure	Y Entrepreneurial Intentions	Z1 Coercive Pressure	Z2 Normative Pressure	Z3 Mimetic Pressure
X1	<b>0.779</b>	0.622	0.520	0.487	0.583
X2	<b>0.794</b>	0.674	0.533	0.552	0.641
X3	<b>0.746</b>	0.591	0.388	0.610	0.650
X4	<b>0.735</b>	0.546	0.455	0.639	0.612
X6	<b>0.837</b>	0.703	0.736	0.582	0.706
X7	<b>0.859</b>	0.724	0.778	0.546	0.706
X8	<b>0.735</b>	0.693	0.703	0.483	0.605
Y1	0.597	<b>0.756</b>	0.587	0.738	0.658
Y2	0.504	<b>0.705</b>	0.481	0.380	0.584
Y3	0.662	<b>0.751</b>	0.547	0.586	0.695
Y4	0.627	<b>0.730</b>	0.544	0.611	0.550
Y5	0.707	<b>0.796</b>	0.597	0.509	0.697
Y6	0.651	<b>0.779</b>	0.615	0.484	0.692
Z1.1	0.731	0.737	<b>0.908</b>	0.568	0.710
Z1.2	0.670	0.682	<b>0.910</b>	0.498	0.624
Z1.3	0.598	0.537	<b>0.817</b>	0.604	0.590
Z2.1	0.581	0.568	0.485	<b>0.847</b>	0.543
Z2.2	0.544	0.599	0.509	<b>0.836</b>	0.621
Z2.3	0.645	0.676	0.576	<b>0.829</b>	0.612
Z3.1	0.704	0.702	0.631	0.498	<b>0.815</b>
Z3.2	0.658	0.666	0.472	0.589	<b>0.793</b>
Z3.3	0.641	0.730	0.676	0.643	<b>0.829</b>

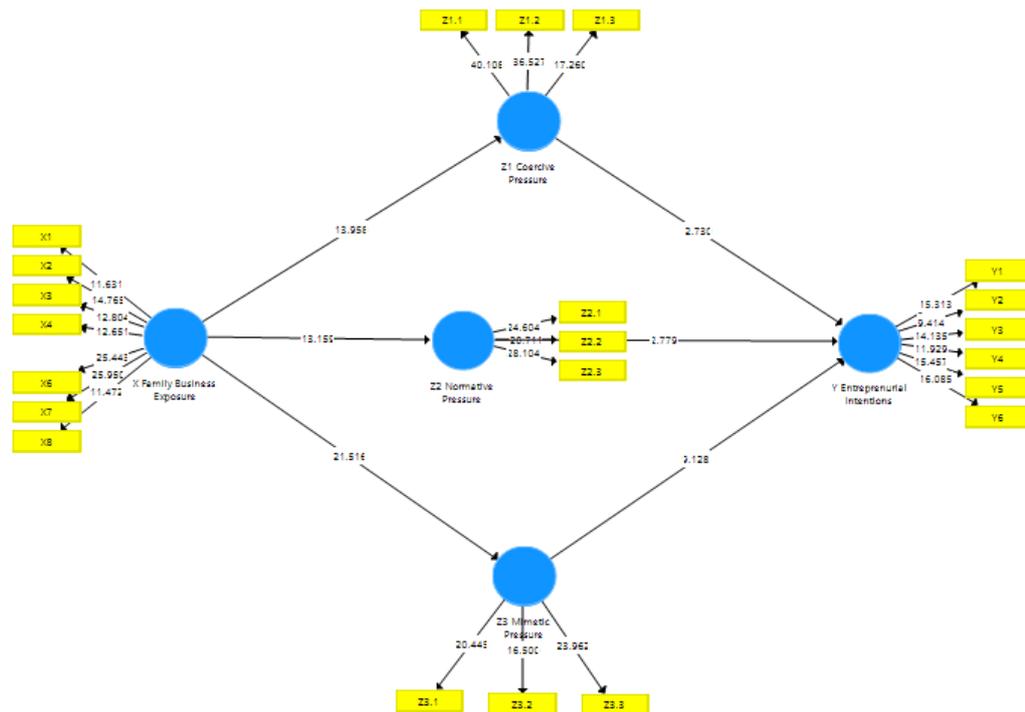
The cross-loading table shows that each latent variable's value is more significant than other latent variables' values. This reliability test also examines the composite reliability value as an indicator of reliability, where both values should exceed 0.70. The Cronbach's alpha and composite reliability values obtained in this SEM are as follows:

**Table 4. Construct Reliability**

Variable	Cronbach's Alpha	Composite Reliability	Info
X Family Business Exposure	0.896	0.918	Reliable
Y Entrepreneurial Intentions	0.848	0.887	Reliable
Z1 Coercive Pressure	0.853	0.911	Reliable
Z2 Normative Pressure	0.788	0.876	Reliable
Z3 Mimetic Pressure	0.742	0.853	Reliable

Based on Table 4, the results of the reliability test analysis show that the composite reliability score is more significant than 0.7, which means that all variables are reliable and have passed the test requirements.

**4.2. Inner Model**



**Figure 3. Inner Model**

The model's feasibility test examines the R-square value, which ranges from 0 to 1. An R-square value of 0.75 is considered good, 0.50 is moderate, and 0.25 is considered poor. The following R-square values are based on the SEM results, as shown in the table and figure:

**Table 5. R-Square**

Variable	R Square	R Square Adjusted
Y Entrepreneurial Intentions	0.792	0.788
Z1 Coercive Pressure	0.579	0.576
Z2 Normative Pressure	0.502	0.498
Z3 Mimetic Pressure	0.676	0.673

From the table 5, the model's suitability can be assessed by the r-square Entrepreneurial Intentions with a value of 0.792 or 79.2%. R-square Coercive Pressure is 0.579 or 57.9%. R-square Normative Pressure is 0.502 or 50.2%. R-square Mimetic Pressure is 0.676 or 67.6%. From the table above, the model's suitability can be assessed by the r-square Entrepreneurial. To determine whether a relationship is significant, the p-value should be compared to the 5% error rate, as outlined in the research hypothesis testing:

**Table 6. Path Coefficient SEM-PLS**

HIP		Original Sample	T Statistics	P Values	Info
H1	X Family Business Exposure -> Z1 Coercive Pressure	0.761	13.958	0.000	Accepted
H2	X Family Business Exposure -> Z2 Normative Pressure	0.708	13.159	0.000	Accepted
H3	X Family Business Exposure -> Z3 Mimetic Pressure	0.822	21.516	0.000	Accepted
H4	Z1 Coercive Pressure -> Y Entrepreneurial Intentions	0.204	2.730	0.007	Accepted
H5	Z2 Normative Pressure -> Y Entrepreneurial Intentions	0.212	2.779	0.006	Accepted
H6	Z3 Mimetic Pressure -> Y Entrepreneurial Intentions	0.561	9.128	0.000	Accepted

Based on table 6, the results of the hypothesis test show the following results and conclusions:

1. Family business exposure significantly positively affects coercive pressure with a T-statistic value of  $>1.96$ , which is 13,958, and a p-value of  $0.000 < 0.05$ . This proves that the higher the family business exposure, the higher the coercive pressure of family business actors in the family generation in Jombang. The first hypothesis in this study is declared accepted.
2. Family business exposure has a significant positive effect on normative pressure with a T-statistic value of  $>1.96$ , which is 13,159, and a p-value of  $0.000 < 0.05$ . This proves that the higher the family business exposure, the higher the normative pressure on family business actors in the family generation in Jombang. The second hypothesis in this study is declared accepted.
3. Family business exposure positively affects mimetic pressure with a T-statistic value of  $>1.96$ , 21,516, and a p-value of  $0.000 < 0.05$ . This proves that the higher the Family business exposure, the higher the mimetic pressure on family business actors of the family generation in Jombang. The third hypothesis in this study is declared accepted.
4. Coercive pressure significantly positively affects entrepreneurial intentions, with a T-statistic value of  $>1.96$ , which is 2,730, and a p-value of  $0.007 < 0.05$ . This proves that the higher the coercive pressure, the higher the entrepreneurial intentions of family business actors of the family generation in Jombang. The fourth hypothesis in this study is declared accepted.
5. Normative pressure significantly positively affects entrepreneurial intentions with a T-statistic value of  $>1.96$ , 2,779, and a p-value of  $0.006 < 0.05$ . This proves that the higher the normative pressure, the higher the entrepreneurial intentions of family business actors of the family generation in Jombang. The fifth hypothesis in this study is declared accepted.
6. Mimetic pressure significantly positively affects entrepreneurial intentions with a T-statistic value of  $>1.96$ , 9.128, and a p-value of  $0.000 < 0.05$ . This proves that the higher the mimetic pressure, the higher the entrepreneurial intentions of family business actors in the family generation in Jombang. The sixth hypothesis in this study is declared accepted.

## 5. DISCUSSION

### a. *The Influence of Family Business Exposure on Coercive Pressure*

Family business exposure has a significant positive effect on coercive pressure with a T-statistic value of  $>1.96$ , which is 13,958, and a p-value of  $0.000 < 0.05$ . This proves that the higher the family business exposure, the higher the coercive pressure of family business actors in the family generation in Jombang. The first hypothesis in this study is declared accepted. Family Business Exposure shows the relationship and pattern of organizational culture and business network relationship patterns (Zaman, Arshad, & Sultana, 2020). Family Business Exposure is an important thing related to business continuity in running a business that involves family members in learning and interacting in running the business. Meutia and Tubagus (2012) explained that creating a business network from the right family according to business needs will provide more significant business opportunities.

Coercive Pressure occurs when parents force family members to do something according to their wishes without giving much space for family members to make their own choices (Deci & Ryan, 2012). The study results showed that this coercive pressure starts with the family leader who runs the business and forces the next generation of family business members to continue the business (Zaman, Arshad, & Sultana, 2020).

*b. The Influence of Family Business Exposure on Normative Pressure*

Family business exposure has a significant positive effect on normative pressure with a T-statistic value of  $>1.96$ , which is 13,159, and a p-value of  $0.000 < 0.05$ . This proves that the higher the family business exposure, the higher the normative pressure on family business actors in the family generation in Jombang. The second hypothesis in this study is declared accepted. Family Business Exposure is often associated with the theory of planned behavior and social cognition to explain the role in the process and activities related to creating a family business by continuously assessing opportunities (Yeh, Chang, Hsu, Huang, & Yang, 2020). Family Business Exposure is an essential factor that allows family businesses to understand the market and develop product and service strategies to meet customer and market needs. Family Business Exposure with a market orientation has a faster basis for improvement. It will be reflected in the success of the company's new flagship products, profitability, market share, and sustainable competitive advantage (Isoraite, 2016). The background of the family business can also build normative pressure on individuals in various ways. Business-oriented families involve family members (siblings or children) in different business operations. Normative power arises from a culture of expectations that makes individuals feel they must respect the family business (Zaman, Arshad, & Sultana, 2020). The study results indicate that individuals with business-oriented families may feel normative power because their parents expect them to be involved in business operations (Zaman, Arshad, & Sultana, 2020).

*c. The Influence of Family Business Exposure on Mimetic Pressure*

Family business exposure significantly affects mimetic pressure with a T-statistic value of  $>1.96$ , 21,516, and a p-value of  $0.000 < 0.05$ . This proves that the higher the Family business exposure, the higher the mimetic pressure on family business actors of the family generation in Jombang. The third hypothesis in this study is declared accepted. Family Business Exposure is often associated with the theory of planned behavior and social cognition to explain the role in the process and activities related to creating a family business by continuously assessing opportunities (Yeh, Chang, Hsu, Huang, & Yang, 2020). Family Business Exposure is an essential factor that allows family businesses to understand the market and develop product and service strategies to meet customer and market needs. Family plays the most crucial role in the psychological development of each individual. The younger generation tends to do business based on the family's orientation towards business (Guo et al., 2019). The younger generation is influenced by examples of successful entrepreneurs, which helps motivate them to start a business (Zaman, Arshad, & Sultana, 2020). The study results showed that successful business actors develop with mimetic pressure, influencing social actors to imitate the behavior of successful people. Family business exposure provides opportunities for the younger generation to mimic the behavior of successful entrepreneurs (Zaman, Arshad, & Sultana, 2020).

*d. The Effect of Coercive Pressure on Entrepreneurial Intention*

Coercive pressure significantly positively affects entrepreneurial intentions, with a T-statistic value of  $>1.96$ , 2,730, and a p-value of  $0.007 < 0.05$ . This proves that the higher the coercive pressure, the higher the entrepreneurial intentions of family business actors of the family generation in Jombang. The fourth hypothesis in this study is declared accepted. Coercive Pressure occurs when parents force family members to do something according to their wishes without giving much room for family members to make their own choices (Deci & Ryan, 2012). This coercive pressure starts from the family leader who runs the business and forces the next generation of family business members to continue the business. In a dynamic environment like today, entrepreneurial intention is fundamental. (Winardi, 2018) defines entrepreneurial intention as an intention related to efforts to learn about a person's values, abilities, and behavior to create and innovate. The study's results show

that a person's skills expressed in the form of behavior can influence the individual's drive to have a firm entrepreneurial intention to continue to innovate (Zaman, Arshad, & Sultana, 2020).

*e. The Influence of Normative Pressure on Entrepreneurial Intention*

Normative pressure has a significant positive effect on entrepreneurial intentions with a T-statistic value of  $>1.96$ , which is 2,779, and a p-value of  $0.006 < 0.05$ . This proves that the higher the normative pressure, the higher the entrepreneurial intentions of family business actors of the family generation in Jombang. The fifth hypothesis in this study is declared accepted. A family business background can also build normative pressure on individuals in various ways. Business-oriented families involve family members (siblings or children) in different business operations. Normative power arises from a culture of expectations that make individuals feel they must respect the family business (Zaman, Arshad, & Sultana, 2020). Individuals with business-oriented families may feel normative power because their parents expect them to be involved in business operations. In a dynamic environment like today, especially related to normative pressure influencing entrepreneurial intention, it is essential as an intention related to efforts to learn about one's values, abilities, and behaviors to create and innovate (Zaman, Arshad, & Sultana, 2020).

*f. The Influence of Mimetic Pressure on Entrepreneurial Intention*

Mimetic pressure significantly positively affects entrepreneurial intentions with a T-statistic value of  $>1.96$ , 9.128, and a p-value of  $0.000 < 0.05$ . This proves that the higher the mimetic pressure, the higher the entrepreneurial intentions of family business actors in the family generation in Jombang. The sixth hypothesis in this study is declared accepted. The family plays the most crucial role in the psychological development of everyone. The younger generation tends to do business based on the family's orientation towards business (Guo et al., 2019). The younger generation is influenced by examples of successful entrepreneurs, which helps motivate them to start a business (Zaman, Arshad, & Sultana, 2020). Successful entrepreneurs develop with mimetic pressure, which influences social actors to imitate the behavior of successful people. Exposure to family business provides opportunities for the younger generation to mimic the behavior of successful entrepreneurs. Entrepreneurial intention relates to efforts to learn about a person's values, abilities, and behavior to create and innovate. The results of the study show that mimetic pressure as a form of driving value in entrepreneurship is related to a person's values and abilities, which are expressed in the form of behavior that encourages individuals to have a firm entrepreneurial intention to continue to innovate (Zaman, Arshad, & Sultana, 2020).

## 6. CONCLUSION

Based on the analysis and discussion presented, the following conclusions can be drawn (1) Family business exposure has a significant positive effect on coercive pressure. This proves that the higher the family business exposure, the higher the coercive pressure of second-generation family business actors in Jombang. The first hypothesis in this study is accepted (2) Family business exposure has a significant positive effect on normative pressure. This proves that the higher the family business exposure, the higher the normative pressure on second-generation family business actors in Jombang. The second hypothesis in this study is accepted (3) Family business exposure has a significant positive effect on mimetic pressure. This proves that the higher the family business exposure, the higher the mimetic pressure of second-generation family business actors in Jombang. The third hypothesis in this study is accepted (4) Coercive pressure has a significant positive effect on entrepreneurial intentions. This proves that the higher the coercive pressure, the higher the entrepreneurial intentions of second-generation family business actors in Jombang. The fourth hypothesis in this study is accepted (5) Normative pressure has a significant positive effect on entrepreneurial intentions. This proves that the higher the normative pressure, the higher the entrepreneurial intentions of second-generation family business actors in Jombang. The fifth hypothesis in this study is declared accepted (6) Mimetic pressure has a significant positive effect on entrepreneurial intentions. This proves that the higher the mimetic pressure, the higher the entrepreneurial intentions of second-generation family business actors in Jombang. The sixth hypothesis in this study is declared accepted.

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