

CHAPTER I

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The world is ever changing. Companies are becoming more interconnected. Businesses are evolving. To create value, business leaders must have a well-rounded understanding of the opportunities and challenges they face. (Contiu, Gabor, & Stefanescu, 2012) That opportunities and challenges could arise at where we do learn about mistakes, problems, and even risks, where we called as university. Universities are recognized as centers of higher education, accompanied in many cases by research efforts for the purposes of advancing knowledge. The most important ingredient of the innovation formula in the new knowledge society is considered as university, and as such they are experiencing important changes.

As corporate entrepreneurship plays an important role in the process of strategic renewal of existing firms, universities are the means through which students can develop their innovative and entrepreneurial spirit. But there are many influences and factors that can help or hinder this process, Hofstede's cultural dimensions having an impact on entrepreneurship. (Contiu, Gabor, & Stefanescu, 2012)

Universitas Pelita Harapan Medan Campus, Faculty of Economics prepares students with cross border training to think with a global collaborative perspective. As entrepreneurs have been responsible for the innovations coming to market, UPH Medan promotes entrepreneur spirit. Tomorrow's globally minded leaders must be able to create diverse environments that foster innovation, develop new businesses, and new areas of growth within large global corporations. These leaders will thrive by being proactive and responsive to market opportunities as they arise. With constantly evolving curricula, students are prepared to face

Challenges and solve current problems in a global business environment.

The entrepreneurship is widely considered as a solution for economic problems. The number of young people who start a new business is increasing. In current economies, the entrepreneurship is a key factor for growth, innovation and job creation. A consequence of this is that policymakers are becoming increasingly interested in ways of enhancing entrepreneurship in different ways not least through entrepreneurship education. The last two decades have also seen an explosion in the number of universities offering entrepreneurship courses and programs, in the USA, Europe as well Indonesia. (Andreea & Ionela, 2012)

UPH Medan's system aims at developing the entrepreneurship education and training so that the students could make use of their past experiences, their skills and knowledge and living surroundings. And that entrepreneurship education could transmit an entrepreneurial spirit to the students, which will make them more motivated to become an entrepreneur. UPH Medan's programs in supporting students to become young entrepreneurs are such as contrive bazaar and conduct seminar. In these past four years, UPH Medan has contrived bazaar for those students who would like to try to become young entrepreneurs, which is in UPH Medan Christmas Service and Celebration 2015. UPH Medan has also conducted some seminars, such as in Start-Up Seminar with Wavoo and Dagelan, Entrepreneurship and Startup Financing Seminar with Deputy Council United States of America to Sumatera – Ms. Tamara Greg and Prof. Michael Goldberg, and Entrepreneur Tips from founder and owner of Repvblik Kopi and Djohan Art Frame – Mr. Salimin Djohan.

The 2015-batch students are still studying in the third trimester in UPH Medan, where the students have chosen the specialization of management study program itself. While for 2014-batch students have

finished all the curriculum of trimester. There are new batch students also, which is 2016-batch students, this batch of students haven't chosen the specialization yet, as they haven't reached the last trimester of curriculum in UPH Medan. Thus, researcher chose the 2015-batch students of UPH Medan, as they are still in the studying phase of the specialization they took.

Individuals with higher formal education are more likely to pursue entrepreneurial opportunities. This statement is supported by Turke, Sulcek (2009): "...getting an adequate education may foster entrepreneurial intention of a person (p. 143)". Pruet, *et. al.* (2009) established that one of the main barriers for entrepreneurial intention among students is the knowledge factor, including the lack of management, business, accountancy and administration knowledge, and this lack can be filled in due to education. The main factors of entrepreneurial intention are entrepreneurial spirit, measured by risk-tolerance and self-efficacy. (Remeikiene, Startiene, & Dumciuviene, 2013)

Thus, it is interesting to see how those programs are occurred in UPH Medan to motivate students to become young entrepreneurs in Medan. **"The Influence of Transmitting Entrepreneurial Spirit to UPH Medan Students' Entrepreneur Motivation"** is a title which is suitable to see the phenomenon clearly as an academic study.

1.2 PROBLEM LIMITATION

The research and the survey need to be limited according to the capability knowledge that the researcher has. So this study is only focused on the influence of the entrepreneurial spirit towards the 2015-batch students of UPH Medan. This student is majoring in management study program. The researcher focuses on how motivated the students by becoming an entrepreneur.

1.3 PROBLEM FORMULATION

Based on the research that is done by the researcher, it finds problems faced in, which are:

1. What is the characteristic of the 2015-batch students of UPH Medan that majoring in management study program?
2. What is the influence of education and studies for the 2015-batch students of UPH Medan that majoring in management study program?

1.4 OBJECTIVE OF THE RESEARCH

The research objectives of this final paper are to find out how is the characteristic of the 2015-batch students of UPH Medan that majoring in management study program and to determine the influence of education and studies towards UPH Medan students' growth of entrepreneurship.

1.5 BENEFIT OF THE RESEARCH

The characteristics of the 2015-batch students of UPH Medan that majoring in management study program can be acknowledged and known by people who are not studying in UPH Medan. It also does for the influence of education and studies in UPH Medan. This research encourages students in UPH Medan and outsider or reader to grow the entrepreneurial spirit through the studies to become motivated. These can be separated into two kinds of benefit, which are:

1.5.1 THEORETICAL BENEFIT

By undertaking this research, the 2015-batch students of UPH Medan that majoring in management study program, will be more

educated from the studies which is given and could add more on their knowledge.

After finishing this research, reader can learn some theories that they don't know yet about entrepreneurial spirit to improve their entrepreneur businesses.

And by completing this research, the researcher can get more knowledge in doing entrepreneur business by awakening the entrepreneurial spirit as well.

1.5.2 PRACTICAL BENEFIT

The effect of this research for the 2015-batch students of UPH Medan that majoring in management study program is that they use the chance to awake and enhance their entrepreneurial spirit.

By performing this research, reader will be able to know more about the real entrepreneur business' situation.

While preparing this research, the researcher can have a great experience in analyzing the young entrepreneurs.

After finishing and observing this research, UPH Medan will be able to know the results of this research, on how determine the 2015-batch students of UPH Medan that majoring in management study program are to become entrepreneurs, as UPH Medan system also aims at developing the entrepreneurial spirit of the students itself.

1.6 SYSTEMS OF WRITING

This final paper research report is going to be organized in five chapters. The systems of writing this final paper are such as:

1. In the first chapter, there is introduction about what the final paper talks about. The introduction is divided into background of the study, problem limitation, problem formulation, objective of the research, benefit of the research and systems of writing.

2. In the second chapter, there is literature review and hypothesis development of the final paper. It talks about the theoretical background, previous research, hypothesis development, research model, and framework of thinking.

3. In the third chapter, it discusses about the research methodology. This research methodology contains research design, population and sample, data collection method, operational variable definition and variable measurement and data analysis method.

4. In the forth chapter, it is about data analysis and discussion. There is general view of research object, data analysis and discussion. Where the data analysis contains descriptive statistic, result of data quality testing, and result of hypothesis testing.

5. Last but not least, this is the last chapter. It stated the conclusion, implication and recommendation as well.

