

CHAPTER I

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Entrepreneurship is practice of starting new organizations, particularly new businesses generally in response to identifying the opportunities. As a support in decreasing unemployment rates, it makes the entrepreneurship could become more popular these days in living in technological era which also helps human daily life becomes much easier. The technology itself has important roles in every profession including an entrepreneur. With the help of technologies business develop into wider range which catches a younger generation attention to start business as an entrepreneur better than a decade ago. Through an easy access to information, people also gain information and motivate themselves to do business better these days.

Easy access to information and motivation from successful entrepreneurs could be a motive to start and set a new business. Starting a new business is also considered in creating a new job field. It needs an actor called entrepreneur to make it. In this case, more new young entrepreneurs are really needed to help decreasing unemployment rates in Indonesia. Entrepreneurs play important role for growth and development of an economy as through entrepreneurship development few things automatically come. Those are employment, enhancement of quality of life, social up gradation, reduction of poverty and etc.

Universities are a continuation of secondary education organized to prepare students to become members of the community who have the academic and professional skills to implement, develop, and create science, technology and art. There are a lot of schools or universities in which provide an entrepreneurship program to facilitate their student to become an entrepreneur. High school and University students are encouraged by most of the teachers to start and set a business as young as possible even though it is a small business.

Universitas Pelita Harapan Medan is one of among high schools and universities in Medan that provide study for young generation to learn becoming entrepreneurs. Although as students in business school there might be some students who are not interested to do business and there are some factors that might be affecting them. Since the education offered by a university mostly influences the career selection of students, universities can be seen as potential sources of future entrepreneurs. Today, most universities have spent significant amounts of money to design a viable entrepreneurship education for their students. According to a wider conception, entrepreneurship education is defined as “the whole set of education and training activities – within the educational system or not – that try to develop in the participants the intention to perform entrepreneurial behaviors, or some of the elements that affect that intention, such as entrepreneurial knowledge, desirability of the entrepreneurial activity, or its feasibility”

Beside school and universities, family is believed to play an important role. Family environment is considered as factor that could be affecting the success of business. Family also becomes factor on how someone chooses their career path. Most often parents who work by their own and have their own business tend to have their children become entrepreneurs. Such parents tend to support and encourage their children to have courage to stand alone. They would push their children to have the same profession as they do rather than encourage their children to do something different. Family who have profession in business will stay in the same circle. Same thing goes to parents whose profession as civil servants, doctors, or artist. They will have their children same profession as they have. Children will also get inspired to choose what they will be from their parents.

As community believed that a person who has a higher chance to do business are those who have family background that their profession are in business or they are entrepreneurs. Somebody's family profession has an impact on what his profession will be in the future. Their entrepreneurial interest will arise from family environment especially parents profession. For instance of

successful businessmen that having business background in their family are Eka Tjipta Widjaja as Sinarmas Group owner, Aburizal Bakrie as owner of Bakrie Group, Anthony Salim as owner of Salim Group and many more.

Based on this background, writer does a research on how family profession is affecting entrepreneurial interest. Therefore, The Effect of Family Profession Towards Entrepreneurial Interest on Universitas Pelita Harapan Medan' Students is chosen as the research title.

1.2 PROBLEM LIMITATION

Based on the Background of Study and Problem Formulation contained in this study, writer will focus on effect that affecting entrepreneurship interest. As well as the many factors that affect entrepreneurial interests, the writer limits the problem only by using factor of family profession to find out whether the background of parents' profession become the main role of someone is an entrepreneur. In this study also limits the object of research on Universitas Pelita Harapan Medan students.

1.3 PROBLEM FORMULATION

Here are the problems of formulation for the title mentioned above:

1. How is the family background of Universitas Pelita Harapan Medan students?
2. How is the entrepreneurial interest of Universitas Pelita Harapan Medan students?
3. How is the effect of family profession towards entrepreneurial interest on Universitas Pelita Harapan Medan students?

1.4 OBJECTIVE OF THE RESEARCH

Here are some objectives of the research to solve the problem of research, which are:

1. To know the family background of Universitas Pelita Harapan Medan students.

2. To know the entrepreneurial interest of Universitas Pelita Harapan Medan students.
3. To know the effect of family profession towards entrepreneurial interest on Universitas Pelita Harapan Medan students.

1.5 BENEFIT OF THE RESEARCH

This research study is expected to benefit both in terms of theoretical and practical terms as follows:

1.5.1 THEORETICAL BENEFIT

This research is expected to provide reference and result of study to assess the effect of family profession on entrepreneurship at Universitas Pelita Harapan Medan. It can be used to complement the theoretical study that is related to entrepreneurship that is entrepreneurial interest, entrepreneurship motivation and entrepreneurship skills.

1.5.2 PRACTICAL BENEFIT

Practical benefit can be perceived by students and community. For students, this research is expected to provide input for students as knowledge materials to increase entrepreneurial interest. Through this entrepreneurial interest, hopefully students could choose their career as entrepreneur in the future. Meanwhile for community, its expected to be a form of information that gives knowledge about factors that affect entrepreneurial interests. So that community would understand better about entrepreneurship and could practice it.

1.6 SYSTEMS OF WRITING

The systematic outline of writing in this research will be as follows:

Chapter I : INTRODUCTION

In this chapter, the research describes Background of Study, Problem Limitation, Objectives of Research, Benefit of the Research and System of Writing.

Chapter II : LITERATURE REVIEW

In this chapter, the research will explain Theoretical Background which will be used, mention the similarities and differences between this research and the previous research. Also the hypothesis development, research model and framework of thinking.

Chapter III : RESEACRH METHOD

This chapter contains Research Design, Population and Sample, Data Collection Method, Operational Variable Definition and Variable Measurement, and Data Analysis Method.

Chapter IV : DATA ANALYSIS AND DISCUSSION

In this chapter consists of General View of “Research Object”, Data Analysis and Discussion of the Research Result.

Chapter V : CONCLUSION

This chapter will contain the conclusions as the results of the whole study and the problems faced in this research. It also includes recommendations for overcome the problem, and the limitation in doing the research.