

CHAPTER I

INTRODUCTION

1.1. Research Background

Entrepreneurship has been regarded as a revolutionary force in the new global economy (Antonic and Hisrich, 2003). Rais (2021) stated that 11,7 million individuals are starting their own businesses during the COVID-19 pandemic which has been a crucial macroeconomic event and lead towards future economic planning. According to Statistics Indonesia (2021), there are 46,355 small-medium enterprises in Indonesia where 84,08% of the small-medium enterprises sold their products through e-commerce (i.e., Tokopedia and Shopee) during the COVID-19 pandemic because majority of offline stores were closed during that time, hence why they are forced to sell through e-commerce. Samo and Hashim (2016) reported that both entrepreneurial alertness and intention have played a key role for the past few years because entrepreneurial alertness and intention are parts of the entrepreneurial process since this allows students to pursue opportunities and career.

According to Ratten (2020), both entrepreneurial alertness and intention lead individuals to have a mindset of seeing crisis (i.e., COVID-19 pandemic) as a business opportunity and support each individual that the crisis will recover in the next few years. Entrepreneurial intention is a powerful fortuneteller in the entrepreneurship since it has a large influence on millennials, because their psychological traits shift towards entrepreneurship activities (i.e., plan to start a business, and taking a risk) during the

COVID-19 pandemic (Hassan and Fatima, 2013; Satyalakshmi, 2017). This study has been confirmed by Hassan et al. (2020) that opportunities of starting a business during the COVID-19 pandemic has a significant impact towards entrepreneurial intention. Entrepreneurial alertness refers to a formation of entrepreneurial intention, and it is considered as an important role because this is where an individual is being alerted to find seek for opportunities and to boost their decision-making skills by motivating themselves to start a business so that they can have bright future (Baron, 2006; McMullen and Shepherd, 2016). This is confirmed by Hernandez-Sanchez et al. (2020) that entrepreneurial alertness and intention have been studied well.

Since identifying opportunities is closely related to creativity and a proactive personality, experts had studied that these two traits are the primary determinants of both entrepreneurial alertness and intention because this allows students to be proactive in searching for opportunities and being creative when developing a business (Zampetakis, 2008). It is important to link all the variables because they enable experts to gain theoretical and practical observations (Hansen et al., 2011). Even though researchers have investigated the association between creativity, proactive personality, entrepreneurial alertness, and entrepreneurial intention (Hu et al., 2018). Since most studies are conducted outside of Indonesia, there has not been much study in Indonesian culture that has looked at the link between an individual's attributes of being creative and proactive that impact entrepreneurial intention through the mediating role of

entrepreneurial alertness. This has been experimentally confirmed by Tantawy et al. (2021) that only a few research is conducted outside of Western Culture (i.e., Asia).

The purpose of this study is to see if both creativity and proactive personality have a significant effect on entrepreneurial intention via the mediating role of entrepreneurial alertness. To observe this research, the researcher will be using questionnaires where the target are university students in Indonesia. Based on the background given above, the researcher is interested entitled "*CREATIVITY, PROACTIVE PERSONALITY, AND ENTREPRENEURIAL INTENTION: THE ROLE OF ENTREPRENEURIAL ALERTNESS (A STUDY OF UNIVERSITY STUDENTS IN INDONESIA)*".

1.2. Research Questions

Based on the background above, the research questions are as follows:

1. Does creativity have a positive effect towards entrepreneurial alertness?
2. Does proactive personality have a positive effect towards entrepreneurial alertness?
3. Does entrepreneurial alertness have a positive effect towards entrepreneurial intention?
4. Does creativity have a positive effect towards entrepreneurial intention through a mediating role of entrepreneurial alertness?

5. Does proactive personality have a positive effect towards entrepreneurial intention through a mediating role of entrepreneurial alertness?

1.3. Research Objectives

Based on the background and research questions above, the objectives of this research are as follows:

1. To analyze the effect of creativity towards entrepreneurial alertness.
2. To analyze the effect of proactive personality towards entrepreneurial alertness.
3. To analyze the effect of entrepreneurial alertness towards entrepreneurial intention.
4. To analyze the effect of creativity towards entrepreneurial intention through a mediating role of entrepreneurial alertness.
5. To analyze the effect of proactive personality towards entrepreneurial intention through a mediating role of entrepreneurial alertness.

1.4. Scope of the Study

Creativity and proactive personality are two independent variables that the researcher has identified. The researcher examines entrepreneurial alertness as a mediating variable and entrepreneurial intention as a dependent variable. Also, this study concentrates on university students in Indonesia.

1.5. Research Contribution

This research hopes that the researcher will be able to contribute to the following implications as follows:

1. Theoretical

This study extends the effects of creativity and proactive personality towards entrepreneurial intention through the mediating role of entrepreneurial alertness. It is highly considered that creativity and proactive personality have been a vital role of seeking opportunities or career, whereas both entrepreneurial alertness and intention have similarities where an individual is aware that businesses will face uncertainty during crisis (i.e., COVID-19 pandemic) and intended to make changes or start something new that they never experienced before in their business (i.e., selling their products through e-commerce).

2. Managerial

Throughout this research, this study will determine whether both creativity and proactive personality have a positive effect towards entrepreneurial intention. If the hypothesis stated has a positive effect, therefore creativity and proactive are correlated to entrepreneurial intention because when an individual has a state of being creative and proactive, this shows that they are confident to start a business as an opportunity during crisis (i.e., COVID-19 pandemic) and vice versa.

1.6. Research Outline

Throughout this research, the research outline is as follows:

Chapter 1: Introduction

Chapter 1 covers the research background, research questions, research objectives, scope of the study, research contribution, and research outline.

Chapter 2: Literature Review

Chapter 2 focuses on developing hypotheses, conceptual framework, and a deeper understanding of each variable (i.e., creativity, proactive personality, entrepreneurial alertness, and entrepreneurial intention).

Chapter 3: Research Methodology

Chapter 3 discusses the type of research, population/sample, and creating a research design table.

Chapter 4: Analysis and Discussion

Chapter 4 describes the analysis of results from four variables by conducting tests (i.e., validity, reliability, and hypothesis test) from SmartPLS 4.0. Furthermore, the data are collected from respondents that are taken from questionnaires using Google Forms.

Chapter 5: Conclusion

Chapter 5 explains the conclusion, managerial implications, limitations, and suggestions of this research.

