

CHAPTER I

INTRODUCTION

1.1 Background to the Research

Unemployment can be seen as challenges for developed country, such as in Indonesia. The number of unemployment tend to be increases, it is caused by the economic conditions in Indonesia is growing slowly, more over the global crisis exacerbate this condition. This economic condition results in decreasing job opportunities and limited. This is indicated by many companies have laid off their employees.

Table 1.1 is the number of workfores, employees, and unemployment revealed by Central Bureau of Statistics (BPS) of Indonesia in 2016, 2017, and 2018.

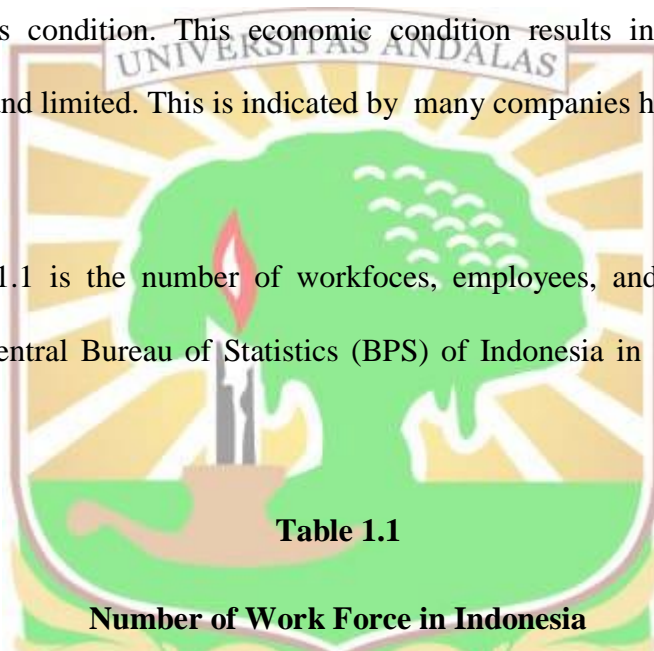


Table 1.1
Number of Work Force in Indonesia

<i>*in million people</i>	2016	2017	2018
Work force	127.8	128.1	133.9
Employee	120.8	121.0	127.1
Unemployment	7.03	7.04	6.9
Unemployment (% of work force)	5.6	5.5	5.1

Source: Badan Pusat Statistik (BPS)

Although the number of unemployment decreases from 2016 to 2017 and 2018 by 5.5% from 5.6% in 2017 and 5.1% from 5.5% in 2018 but it is still a issue for Indonesia because the total workforces increase from year to year, and as a whole the decrease of unemployment seems to be slow.

The latest survey conducted by BPS in West Sumatera noted that, 8.2% of 2.62 million labor forces from university graduated as open employment category (Wahyudi, 2017). In 2017 revealed that there has been an increase in number of unemployment in Indonesia by 10,000 people of 7.04 million people in August 2017 in comparing to August 2016 of 7.03 million people.

Every year in Andalas University graduates more than one thousand students. Based on Andalas University official website reveals that there were 1,579 graduates of Diploma and Strata 1 in the first graduation in 2017 and 1,217 strata 1 graduates from 15 faculties and Economics Diploma in the first graduation in 2018. This means that more than one thousand graduates in each periode of graduation in Andalas University. Meanwhile, job vacancy is very limited and this will increase the number of unemployment for higher graduates from university.

The challenge to the increasing unemployment can be overcome by higher education institutions by developing more entrepreneurial atmospheres and activities in their campus to attract the intention of their students to start a business, such as by providing initial capital, business coaching, a training to develop a business plan, and lecturing on entrepreneurship, and so on.

The scholars need to be directed and supported to become not only as job seeker but also to become job creator or entrepreneurs. Entrepreneurs can create new jobs and reduce unemployment. Becoming an entrepreneur is an alternative choice, at least, he or she can be an employment for him or herself (self employed) and not depend on others. Entrepreneurs create job for others.

Entrepreneurs are ones who have superior decision-making ability that able to improve business performance such as profit and business growth (Glancey, et al., 1998). Entrepreneurs can be successful if they can benefit community with their value added products. Besides having strong intention to be become an entrepreneur entrepreneur, he or she also has to be creative and innovative, committed to his or her, tenacity, and focus.

Entrepreneurial intentions are one of the main predictors of the future engagement of young people into new venture creation (Kolvereid, 1996; Krueger and Carsrud, 1993). Students need to do various efforts to leverage their entrepreneurial intention, doing entrepreneurial activities like thinking and creating beneficial products, developing mindset on entrepreneurship, become more productive versus consumptive, using resources effectively versus residual (Barringer, 2010), involving students develop their entrepreneurial spirit through innovative programs and cultural research oriented (Kuratko, 2005)

Becoming an entrepreneur also requires a strong self-leadership, because self-leadership is the initial capital for an entrepreneur. Leadership is a desire to achieve something through other people. In order to have intention in entrepreneurship, someone needs a self-motivated to what business he wants to establish. Self-leadership (Manz,1986; Manz and Neck,2004) is a process through which individuals control their own behavior, influencing and leading themselves through the use of specific sets of behavioral and cognitive strategies. The concept of self-leadership first emerged in the mid-1980s (e.g. Manz, 1983, 1986), as an expansion of self-management (e.g. Manz and Sims, 1980), which was rooted in clinical self-control theory (e.g. Cautela, 1969) and inspired by Kerr and Jermier's (1978) notion

of “substitutes for leadership”. Therefore it need a high self-motivation and self-leadership capabilities to achieve goals in starting a business.

Chen, Greene, and Crick (1998) provided empirical evidence that entrepreneurial self-efficacy, defined as an individual’s confidence in his or her ability to successfully perform entrepreneurial roles and tasks, was positively related to students’ intentions to start their own business. The key success in a business is firstly understanding or recognizing yourself. This self-recognition is inseparable from self-concept, belief in good and bad value that make certain attitudes that is part of our traits. Bandura (1986) states that self-efficacy in individuals who believe to be successful in doing something and also able to achieve goals. The higher a person's self-efficacy, the more confident he or she is about success in a particular task domain. Low self-confidence will lead to failure. Failure can decrease self-efficacy. Kristiansen and Indarti (2004), Boyd and Vozikis (1994), Carr and Sequeira (2007), and Zhao et al. (2005) have indicated that increased self-efficacy yields greater entrepreneurial intentions. That is, the utilization of self-leadership may influence self-efficacy which subsequently affect entrepreneurial intention. The current research purposes to examine the influence of self-leadership and entrepreneurial self-efficacy on entrepreneurial intention from Andalas University student. The research purpose entrepreneurial self-efficacy as mediating variable in the relationship between.

1.2 Problem Statements

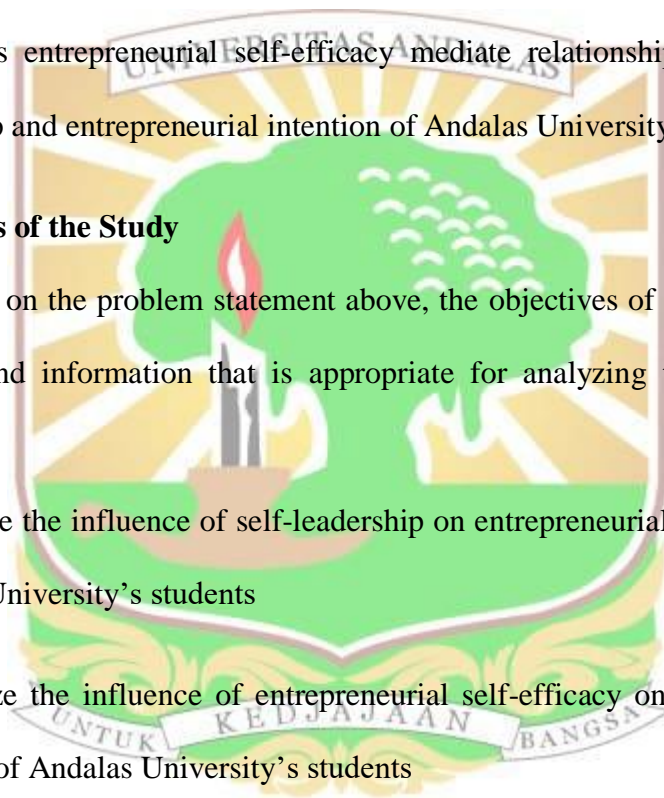
Based on the explanation of the background above, this research problems are formulated as follows:

1. How does self-leadership directly influence entrepreneurial self-efficacy of Andalas University's students?
2. How does entrepreneurial self-efficacy directly influence entrepreneurial intention of Andalas University's students?
3. How does self-leadership directly influence entrepreneurial intention of Andalas University's students?
4. How does entrepreneurial self-efficacy mediate relationship between self-leadership and entrepreneurial intention of Andalas University's students?

1.3 Objectives of the Study

Based on the problem statement above, the objectives of this study are to obtain data and information that is appropriate for analyzing the data that is particularly:

1. To analyze the influence of self-leadership on entrepreneurial self-efficacy of Andalas University's students
2. To analyze the influence of entrepreneurial self-efficacy on entrepreneurial intention of Andalas University's students
3. To analyze the influence of self-leadership on entrepreneurial intention of Andalas University's students
4. To analyze the influence of entrepreneurial self-efficacy mediate relationship between self-leadership and entrepreneurial intention of Andalas University's students



1.4 Contribution of the Study

This research is contributed on:

1. This research could be as reference for next time researcher and could be an information on the advanced knowledge in the future. This research is also used by researcher to accomplish thesis for final assignment of graduation.
2. It is could be used to train and develop other references and add some insight and knowledge related self-leadership, entrepreneurial self-efficacy, and entrepreneurial intention.
3. The result of this research could make the firm realize in what factor that can influence entrepreneurial intention in students. The suggestion of this result can be the measurement of the entrepreneurial intention.

1.5 The Research Scope

This research only focuses on three variables to be tested, including self leadership, self efficacy and entrepreneurial intention. The researcher limits the research context by focusing to the students of Andalas University, Padang.

1.6 The Research Outlines

In consideration of moderating the content, this research will be divided into five chapter:

Chapter I Introduction. Containing the background of the research, formulation of the problem, objectives of the research, benefits of the research, the scope of research and systemic writing.

Chapter II Literature Review. This chapter contains the literature, theory, previous research related to this research. This chapter also contains the literature that evaluate the variables of this research, on self leadership, entrepreneurial self efficacy, and entrepreneurial intention itself. This chapter also contains the theoretical framework of this research.

Chapter III Research Methodology. This chapter contains the explanation about research method consists of research design, population, and source of sample, type of data and variable measurement, research variables, operational definition, data analysis, test of instrumental, structural model test, and hypothesis testing.

Chapter IV Result and Discussion. This chapter explains about surveys result that consists of respondent characteristics, frequency of distribution of each variable, validity test, reliability test, and discussion about analysis the effect of self leadership on entrepreneurial intention with entrepreneurial self efficacy as mediating variable.

Chapter V Conclusion, Limitation, and Recommendation. In this chapter, researcher will explain about the conclusion of the research, implication of the research, limitation of the research and recommendation for further research.