

CHAPTER I

INTRODUCTION

1.1 Background to The Research

In today's business life, necessity motives may have become more significant. Entrepreneurship has become one of the important economic components for growing the world economy. The role of the entrepreneurial sector in the economy cannot be avoided. Entrepreneurship would be as a platform for social and economic development of the country especially developed country, such as Indonesia. Entrepreneurial activity is an individual conditional by which it is possible to research the situation on the entrepreneurship market in the specific conditions for each region.

The success of entrepreneurship has been influenced by various factors. A large number of studies have focused on psychological and demographic characteristics of the individual. During economic crisis and the rise of unemployment might be pushed by limited job opportunity. People choose self-employment because of the restricted structure of opportunities of their local labour market the lack of what they call 'proper jobs'

There are many facets of entrepreneurship studies depending on which perspective for example academician, economist, psychologist, business persons and politicians (Vesper, 1980). Respectively, two major perspectives dominate and shape the concept of entrepreneurship known by society today, namely psychology and economy (Zainuddin & Ismail, 2011). Based on the literature, the former emphasises on personality dimensions of a person known as entrepreneur (McClelland, 1961). While the latter is mainly focused on an entrepreneur as one

of the factors of production that contributes to economic landscape apart from capital, land and labour (Menger, 1871) . Developing body of literature have linked an entrepreneurship with business opportunity and with an entrepreneur as a key person behind entrepreneurship.

According to Bhava (1994) , there are two ways to describe opportunities' recognition and exploitation. Recognition refers to opportunity which discover within the established business framework. Meanwhile, exploitation refers to opportunity which is found first before the business is established. In other case, opportunities need to be recognised, refined, the business concept identified, and a commitment to the idea had to be converted into reality. In other word, entrepreneurship able to define activity that will involves the discovery, evaluation of opportunities to introduce new goods and services, ways of organizing market , processes, and raw materials through entrepreneur efforts that previously had not existed.

The problem of unemployment as one of crucial issues in a country, especially in Indonesia. Unemployment at Indonesia by 2007 was filled by college graduates about 7.02% or a 740,206 people (Darpujianto, 2015). The low interest to be entrepreneurs among college student would encourage to increase unemployment. Seeing the fact that the existing employment does not make it possible to absorb all college graduates in Indonesia, college graduates begin to choose entrepreneurship as their career choice. The efforts to encourage this began to be seen by educational institutions, including higher education institution.

According to Gilad and Levine (1986) two theories concerning that encourage someone to be entrepreneurs. "Push" theory and "pull" theory.

According to "push" theory, individuals are pushed to be entrepreneur because of negative environmental incentives, such as dissatisfaction with work, difficulty finding work, flexibility in working hours or insufficient salary. Conversely, "pull" theory holds that individuals are interested in becoming entrepreneurs because they are looking for things related to the entrepreneurial characteristics themselves, such as independence or indeed because they believe entrepreneurship can provide prosperity.

"Push" entrepreneurs are being pushed out of their current employment. They are not doing well in their current job for reasons that may have nothing to do with their entrepreneurial inclination. Coincidental factors may adversely affect their performance in the corporation and they may thus decide to switch into self-employment. "Pull" entrepreneurs are being pulled out of their current position by the challenge and the potential rewards (monetary and others) related to a new successful venture. It is their entrepreneurial abilities and attributes that are such that they find themselves being more comfortable professionally outside the corporate setting.

The Push and Pull Factor theory of entrepreneurship takes the view that there are two main reasons that make people decide to become entrepreneurs. The theory suggests that some people are forced into entrepreneurship by their circumstances, while others are enticed or drawn into entrepreneurship because of their expertise and skills or an opportunity that presents itself. Typically, low-ability entrants to self-employment are pushed into entrepreneurship. In other words, they are forced into entrepreneurship by adverse circumstances. In contrast, others are lured or attracted into entrepreneurship by an opportunity that presents itself.

Now a days opportunity to run business or e-business idea based on Internet functionality, often with innovate business concepts, and could not exist without this functionality. E-entrepreneurship is defined as a subcategory of entrepreneurship, targeted at the virtualization of some or all of the business activities and processes, which in a traditional organization were implemented by physical means. E-Entrepreneurship refers to establishing a new company with an innovative business idea within the Net Economy, which, using an electronic platform in data networks, offers its products and/or services based upon a purely electronic creation of value. Essentially, this value offer was only made possible through the development of information technology (Tobias Kollman, Carina Lomberg, 2016)

The entrepreneurial behaviour is a kind of decision behaviour based on a special personal quality and stimulated by external and internal factors (Zhang, 2003). Entrepreneurial internal stimulation is characterised as pull or push factors based on different personal position, nature and desire. Although the current reasearch already compile Pull factors, the researcher consider to limit Pull factors include interest in business, self-fulfilment, personal control, and maintaining technological skills. Entrepreneurs motivated by pull factors often resign from their stable work environments to create their own new ventures by taking advantage of their accumulated financial savings as well as technological skills or management experience. Push factors include Financial needs/financial needs, future limitations on employee opportunities, and level competition to find jobs. (Zhang, 2003).

The current research focuses about e-entrepreneurship on Andalas University student. The main reason why student become e-entrepreneurs is to become financially independent. They want to make their own money. With their own idea, with their own effort, and with their own name on it. E-entrepreneurs is making it possible for entrepreneurs to reach the market and customers without leaving their beauty university student. Without the need of physical presence, even the smallest online retailer could be as efficient as the giants. Even though, becoming e-entrepreneurs might seem like a scary and high-risk taking journey, but to some, this unpredictable adventure seems like the perfect path that students should take.

Digitalisation phenomenon causes various implications through rapid and transformative change, it is relevant for entrepreneurs and entrepreneurship researchers to be aware of related outcomes and connections and identify emerging opportunities on business. Digital entrepreneurship is a phenomenon which arose through technological assets like internet and information and communications technology (Le Dinh et al., 2018).

This research is aimed to investigate determinant of e-entrepreneurship using push and pull factor approach of andalas university student.

1.2 Problem Statement

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

1. How does pull factor (i.e., Financial needs/financial needs, future limitations on employee opportunities, level competition to find jobs) influences on e-entrepreneurship of university student
2. How does push factors (i.e., interest in business, self-fulfilment, personal control, maintaining technological skills) influences on e-entrepreneurship of university student
3. What the dominant factor influences student to involve e-entrepreneurship in the university

1.3 Objectives of The Research

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 understand how does push factor (i.e., interest in business, self-fulfilment, personal control, maintaining technological skills) impact on e-entrepreneurship of university student
2. To understand how does push factor (i.e., interest in business, self-fulfilment, personal control, maintaining technological skills) impact on e-entrepreneurship of university student
3. To know what the dominant factor influence student to involve e-entrepreneurship.

1.4 Contributions of The Research

This research is expected to contribute on:

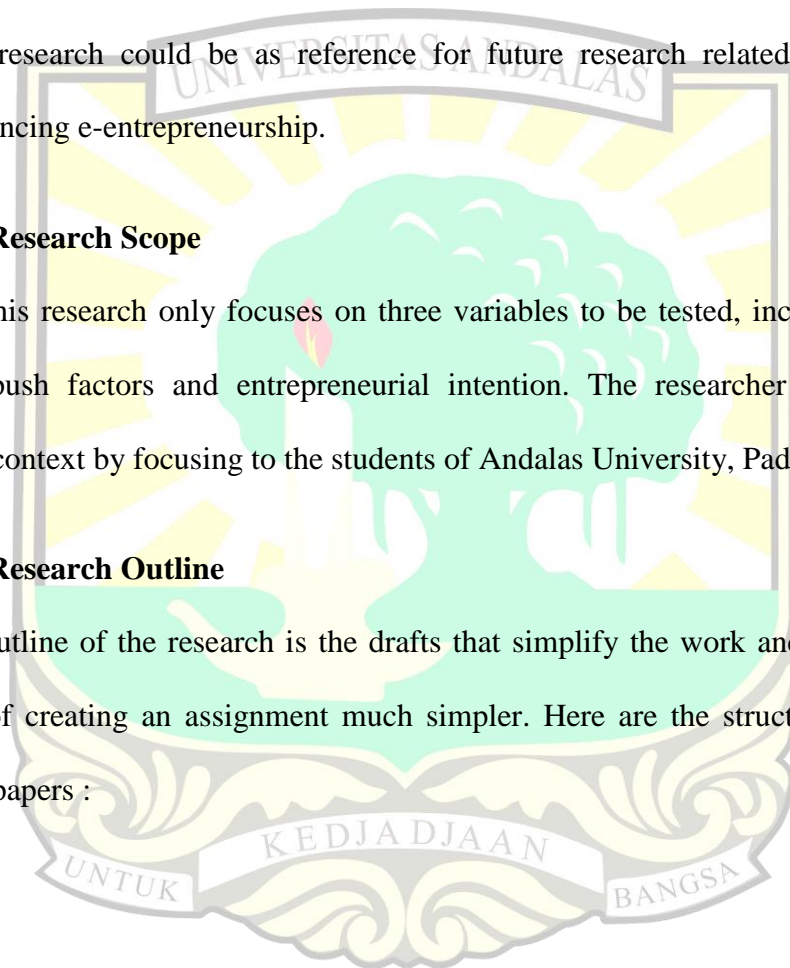
1. Understanding factors influence university student improve in e-entrepreneurship
2. Reference to develop policies in order to nurture e-entrepreneurship in higher education
3. This research could be as reference for future research related to factors influencing e-entrepreneurship.

1.5 The Research Scope

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

1.6 The Research Outline

Outline of the research is the drafts that simplify the work and make the process of creating an assignment much simpler. Here are the structure of this research papers :



CHAPTER I : INTRODUCTION

This chapter contains of background of the research, problem statements, objectives of the research, contribution of the research, scope of the research and outline of the research.

CHAPTER II : LITERATURE REVIEW

This chapter contains the theoretical variables, hypothesis development from previous study, and framework research.

CHAPTER III : RESEARCH METHODOLOGY

This chapter contains the research design, population and sample, data and data collection, variable and measurement, operational definition, and analysis of data.

CHAPTER IV : RESULTS AND DISCUSSION

This chapter contains the characteristic of the respondent, descriptive analysis, data collection and result of the discussion.

CHAPTER V : CONCLUSION, LIMITATION, IMPLICATION AND RECOMMENDATION OF RESEARCH

This is the last chapter of the research, which explain about the conclusion,

