

## CHAPTER I

### INTRODUCTION

#### 1.1. Background

In the era of free markets, the conditions faced are increasingly exacerbated by the situation of global competition (*Asean Economic Community*) which will juxtapose graduates of Indonesian universities in free competition with graduates from foreign universities. Higher Education graduates need to be directed and supported so that they do not only focus on being a job seeker but also being a job creator who in consequences, should foster their entrepreneurial spirit. It becomes an alternative way to reduce unemployment and other social problems. Moreover, college graduates are expected to be young educated entrepreneurs and able to start their own businesses. According to Alma (2011) retrieved from Walipah and Naim (2016) explained that the more developed a country the more educated people were and the more important the entrepreneurial world was felt.

The role of universities in motivating graduates to be entrepreneurs is very important in growing the number of entrepreneurs. Unfortunately, entrepreneurship interest in university graduates in Indonesia is still very low, at 3.87% (Wahyuningsih, 2009). In addition, educational institutions must also prepare prospective graduates so that later they can choose a right career that is by their abilities (Susmanto, 2018). Remembering the rapid economic growth in Indonesia graduates of universities who have

competence in the economy have a large market share. The Faculty of Economics is one of the faculties that students are most interested in. Interest is a process that is constant to pay attention and focus on something that interests him with feelings of pleasure and satisfaction. It is a mental device consisting of a mixture of feelings, hopes, convictions, prejudices, fears or other tendencies that direct individuals to a particular thought Susmanto (2018).

Career interest is a person's stance regarding the work to be undertaken in the future. According to Wijaya (2008), interest is the seriousness of the intention of someone to do something or bring up a certain behavior. In determining the choice of a career in the future, someone certainly has considered various things that make him interested or not in a career that will be lived. Faculty of economics which is in great demand is proven in research by Kuningsih (2012). It is stated that in total of 129 students respondents from S1, S2 and PPA, the average graduate choosing an accounting study program were driven by their desire to become an accountant.

Students are quite difficult to determine the career to be undertaken therefore they raise several questions that can influence them in determining their career (Priyanti, 2017) retrieved from Putra, Wahyuni, and Yasa (2017). One's career interest can be influenced by an educator where the task of an accounting educator is to produce accounting professionals who are ready to compete and have quality at a later time in the workforce. Consequently, students from private and public university graduates can

enter the workforce according to their interests and career intentions. In the current practices, students do not only require academic expertise, but also expect to have non-academic knowledge that they do not get from the lecture bench.

Many accounting students who after graduating from university choose a career other than in their fields. Four years or more, accounting students who are in an educational environment do not always make it understand what they want to do later. Even accounting graduates can also have a career which is not in line with their educational background. For example, if they have talent and expertise in other fields such as entrepreneurship, they will build their own business and recruit some employers to be their own employment (entrepreneurship). Many college grads rarely work in their major. During their student life for about four years in the campus, student cannot formulate their specific career goal and purpose. In fact, accounting grads choose the new paths and ways, the willingness to live frugally, and the willingness of learning they experience which is entrepreneurial career.

Some researchers including Guerrero et al. (2008) said entrepreneurial intentions as a framework for thinking of someone who intends to make a new business outside an existing organization. Some research on the factors that influence entrepreneurial intentions has been done by researchers before, both from Indonesia and from foreign country. Overseas research related to the topic has been conducted by Ismail et al. (2009), Moriano et al. (2012), Turker and Selcuk (2009), Gelderen et al.

(2008). While in Indonesia research related to the topic was carried out by Suharti and Sirine (2011), Santi, Hamzah, and Rahmawati (2017), Sukmaningrum and Rahardjo (2017), Yafiz and Lisandri (2016), Adi et al. (2018). Based on the research, some factors can affect one's entrepreneurial intentions. In the previous studies conducted by Adi et al. (2018), the research still has weaknesses wherein it still needs further analysis for other factors that influence student entrepreneurial intentions. Other weaknesses from most studies are there are still other factors that influence the entrepreneurial intention and it is very difficult to find entrepreneurship guidance programs at universities which was similarly conducted by Turker and Selcuk (2009).

Researchers use a sample of economics faculty students because economics faculty students have advantages in the field of finance such as being able to make financial reports, understand statistics and opportunities that exist and of course in managing finances very well because of discipline. Faculty of economics students learn how to clarify each transaction and report it in a financial statement itself.

This research refers to research conducted by Suharti and Sirine (2011) and Gelderen et al. (2008) which examines what can influence entrepreneurial intentions using the Theory of Planned Behavior. The results of the study explain that attitudes, perceptions of behavioral control, and subjective norms have a positive effect on student entrepreneurship intentions.

The difference between this research and the previous one is that this study sampled students of the Faculty of Business and Economics of the Universitas Islam Indonesia where the students had a background in Islam. In this research, the author conducted research on active students at the Faculty of Business and Economics of the Universitas Islam Indonesia. Based on the background above, the author conducted research with the title **“The Effect of Attitude, Subjective Norms, and Perceived of Behavioral Control on Students Entrepreneurial Intention in Faculty of Business and Economics UII”**.

## **1.2. Problem Formulation**

By knowing entrepreneurial intentions and career choices of students, they are expected to enhance entrepreneurship skills in the future. It means that there are jobs, so it is necessary to study the factors that influence entrepreneurial intentions among students. Based on the description on the background of the problem, the problems discussed in this study are:

1. Does the attitude of behavior of students affect student entrepreneurial intentions?
2. Does the perception of behavioral control of students affect student entrepreneurial intentions?
3. Does subjective norms affect student entrepreneurial intentions?

### 1.3. Research Objective

Based on the problems, then the objectives of this study are as follows.

1. To analyze the influence of attitudes on student entrepreneurial intentions;
2. To analyze the effect of perceived behavioral control on student entrepreneurial intentions; and
3. To analyze the effect of subjective norms on student entrepreneurial intentions.

### 1.4. Research Contribution

This research is expected to provide benefits for various parties, including the following parties.

1. For the University

With this research, it is expected that policymakers at universities must give the highest priority to education and structural support and design. They also need to implement new teaching methods such as entrepreneurship mentoring programs to produce entrepreneurs in the future.

2. For the Academic Parties

With this research, it is expected that the results of this study can add insight and enrich knowledge especially in the field of entrepreneurship and be a reference for other researchers to study research factors that influence entrepreneurial intentions.