

CHAPTER I

INTRODUCTION

Research Overview

This section of study will be discussing about the brief profile, logo, and the history of Telkom University and followed by the Profile of Directorate of Student Affairs Telkom University (TEL-U) and is followed with the profile of Entrepreneurship Center as the part of the Directorate of Student Affairs (Direktorat Kemahasiswaan). Researcher is focusing the research on the Entrepreneurship Center of Telkom University.

The Logo of Telkom University

Logo is a symbol with a special meaning representing a company or organization. The logo of Telkom University can be shown below in the following Figure:



Figure 1.1
Telkom University Logo

Source: www.telkomuniversity.ac.id accessed on 08/09/2015

Telkom University Profile

Name of Institution : Telkom University
Address : Jalan Telekomunikasi, Terusan Buah Batu, Dayeuh Kolot, Bandung
40152
Phone : +62-22-7503509

Fax : +62-22-7505522
Website : www.telkomuniversity.ac.id

The History of Telkom University

Telkom University was established on August 14, 2013 by the Decree of Director General of Higher Education (Kemendikbud) number 309/E/0/2013. Telkom University is a private university established by Telkom Education Foundation. It was formed out of a merger of four private higher educations, namely Telkom Institute of Technology (founded as STT Telkom, 1990), Telkom Institute of Management (founded as STMB Telkom, 1990), Telkom Polytechnic (Politel, 2007), and Telkom College of Art and Design Indonesia (STISI Telkom, 2011).

STT Telkom and STMB Telkom were established in 1990 on the initiative of Ir. Cacuk Sudarjanto, the Chief Director PT. Telkom, Indonesia's largest state-owned company in telecommunication. Both colleges were the first higher education in Indonesia specializing in the field of telecommunications and information technology.

Telkom University's campus in Bandung Technoplex is originally the integrated campus site developed for STT Telkom, which was officially opened by the President of Republic Indonesia, Suharto, in March 24, 1994.

Directorate of Student Affairs Profile

The directorate of student affairs plays an important role to the Telkom University as a whole. That is why the directorate of student affairs shares the same vision and mission with Telkom University Vision and Mission.

a. Vision

To become a world-class university that plays an active role in the development of information-technology based science and arts.

b. Mission

1. To provide and develop international-standard education;

2. To develop and disseminate internationally recognized science, technology, management, and arts;
3. To utilize science, technology, management, and arts for the welfare and the development of nation's civilization.

c. Goals

1. Obtaining trust from all stakeholders;
2. Producing graduates who have integrity, competences, and national and international competitiveness;
3. Creating research culture, cross-cultural academic atmosphere, and entrepreneurship spirit among academia;
4. Producing valuable research works and innovations to improve the quality of people's life and support the development of national economy.
5. Value: Professionalism, Recognition of achievement, Integrity, Mutual Respect Entrepreneurship (PRIME)

Organizational Structure

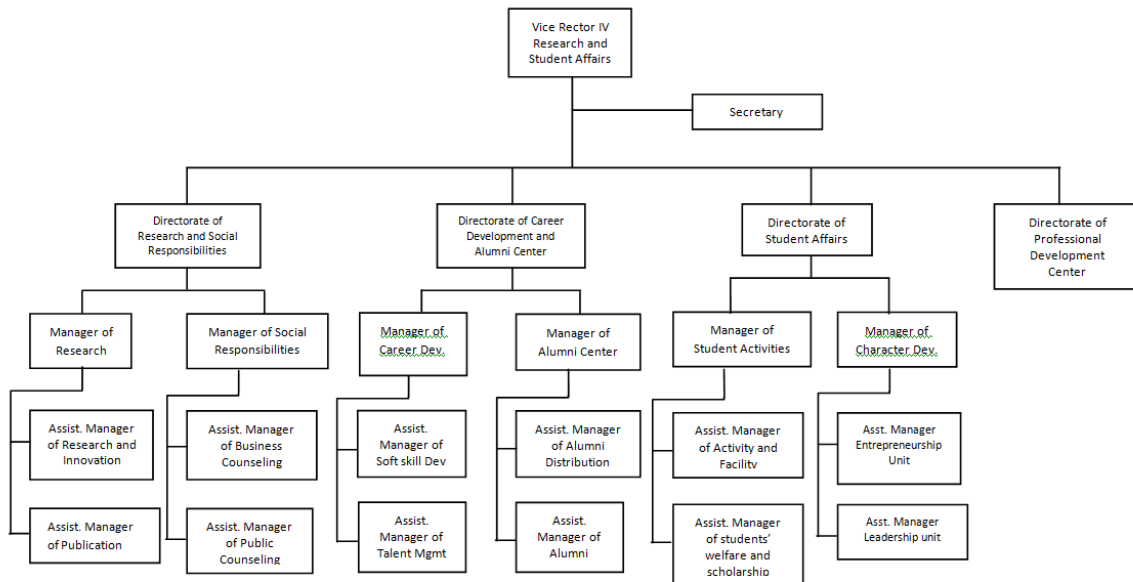


Figure 1.2

Organizational Structure

Entrepreneurship Development Unit Profile

The Entrepreneurship development unit is a division under the Directorate of Student Affairs. The entrepreneurship development unit is devoted to stimulate the birth of an entrepreneur and to develop the existing talent and entrepreneurship activities.

Background of the Study

Unemployment and a low productivity has been one of today's global most serious problems. And for years, entrepreneurship has been named as one of the best possible solutions to that. Entrepreneurial activity contributes to the economy of a country, and can create jobs. Each country is trying to increase the number of entrepreneurs with a variety of programs, including in Indonesia. Entrepreneurship education is one way to provide insight to students the importance of entrepreneurship. Thus, it is necessary to identify associated with entrepreneurship program that can be done by educational institutions in supporting entrepreneurial education. Indonesia is one country that focused in increasing the number of entrepreneurs. Based on data from BPS (2015), Indonesia's population reached 255,993,674 people. Indonesia has a great potential to develop entrepreneurship, one of them by providing entrepreneurial education program.

That large population of Indonesia does result to the large workforce; in February 2015 Indonesia is recorded to have 128.3 million workforces, or increasing by 2.7 million from February 2014. The problem is that as the workforce is increasing, the unemployment rate is also increasing from 5.70% to 5.81% from February 2014. For years, unemployment has become one the most serious problems in Indonesia. Based on Sakernas (*Survei Angkatan Kerja Nasional*) data released by BPS, National Open Unemployment Rate until February 2015 reach 7.45 million people or equal to 5.81% (<http://bisniskeuangan.kompas.com>, accessed on September 11, 2015). Surprisingly, people from the higher education or university graduate who are expected

to have more skills and knowledge to be contributed to the workforce do contribute a quite big portion to the unemployment rate.

Table 1.1
Open Unemployment Rate on May 2015

Latest Education	Unemployment rate in percent
Elementary School and below	3.61
Junior High School	7.14
Senior High School	8.17
Vocational School	9.05
Diploma	7.49
University Graduate	5.43

Source: <http://www.bps.go.id>, accessed on September 11, 2015

Of all series of issues that have been mentioned above about unemployment rate, entrepreneurship has been named as one of the most powerful solution to solve the issue of unemployment (Soepardi, 2015).

Entrepreneur comes from the French word 'Entreprende' meaning to undertake, a person called as an entrepreneur, that person is perceived as someone who undertakes some responsibility and pursues a goal with self-motivation (Cantillon (1755) in Thornton (2005)). It translates to Bahasa as *Wirausaha* comes from the word *wira* meaning entrepreneurial heroes (brave) and *usaha* means conducting business. Thus the entrepreneur can be defined as someone who persistently trying to run something business activities with the aim to achieve results to be proud of (Sukirno, 2004).

The university graduates are expected to be the part of the unemployment solution and not become the part of the problem. Many parties have attempted to contribute stimulating the birth of entrepreneurs by various programs. This attempt is done from many parties starting from the government organizations and companies, private institutions to educational institution. The forms of the programs are also varying from National Entrepreneurship competition, Business Plan competition, Business mentoring, to the establishment of business communities. Those existences of programs that promote entrepreneurship reflect the seriousness from the society to

solve the problem of unemployment together by stimulating and increasing the entrepreneurship spirit and eventually increase the economic growth and Indonesian welfare as a whole. (<http://www.kompas.com>, accessed on September 11, 2015).

As released by the press, the Government looks to the creation of 28,000 new entrepreneurs in 2015. This target increased significantly compared to previous years that only target the creation of 10,000 new entrepreneurs annually. "We aim to create 28,000 new entrepreneurs in the middle of the limited availability of formal sector employment. These efforts are expected to reduce unemployment and increase new employment opportunities," said Labor Minister M. Hanif Dhakiri, in a press release on Monday (7/27/2015) (<http://medialiputanindonesia.com/liputan/depnaker/85985-2015-kemenaker-targetkan-penciptaan-28000-wirausaha-baru.html>, accessed on September 11, 2015)

Starting from June 2014, Telkom University under the Telkom Foundation decides to take part in creating the new entrepreneurs and solve the unemployment problem. The commitment attested by the creation of Entrepreneurship unit under directorate of student affairs Telkom University which is recorded in the Decree No. 0474/00/DGA-02/YPT/2014 or called as Surat Keputusan (SK) Telkom University. The main task of this unit is to foster all form of entrepreneurship activities in Telkom University and create a new born entrepreneurs by its programs. As Telkom University has seven faculties, and are very different in fields, the Directorate of Student Affairs especially the entrepreneurship unit facing a lot of challenges designing the right programs to facilitate all of the studentpreneurs as one.

To prepare for the best candidate to be a future successful and sustainable entrepreneur, there are lots of criteria and requirement needed. To be the ready to face the competition and survive and eventually be successful there are several critical requirements for being a successful entrepreneur; the critical and analytical thinking abilities, selling abilities, networking skills, negotiation skills, and communication skills (Sethi & Saxena, 2005). As seen that the students inside the Telkom University entrepreneurship unit are came from various academic background it can be conclude that many of those skills are taught in the classes and many of the rest are not. Those students who don't have the chance to learn those essentials skills in class, may have pursue those abilities from secondary resources aside from classes like from seminars, business camps or special course.

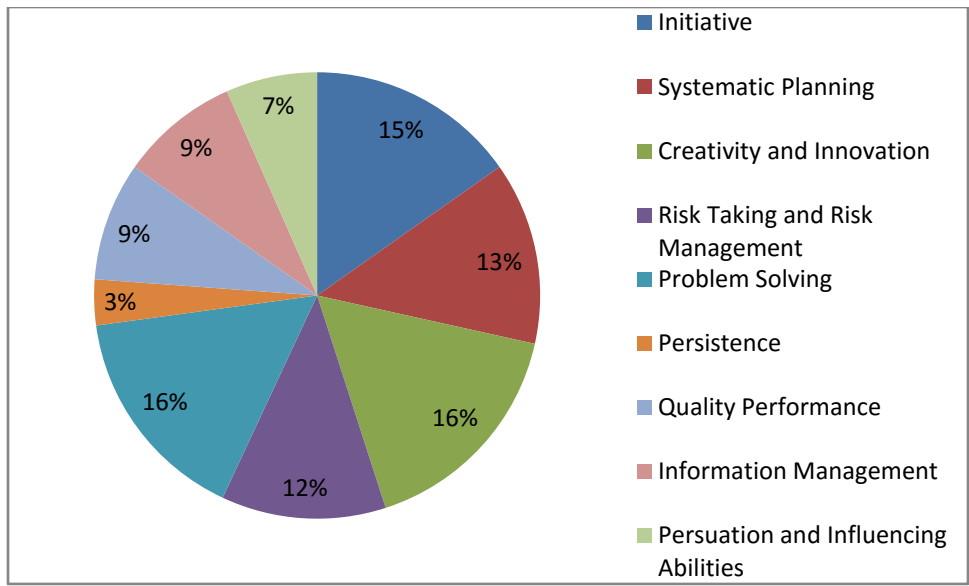


Figure 1.3
Entrepreneurial competences of Telkom University students

Source: Author's Data

From the pilot study that has been conducted, students of Telkom University claimed to have the competency needed to be a studentpreneur. The pilot study was conducted involving the students that are registered and are on the Entrepreneurship Unit internal database. The number of studentpreneurs that were registered until September 3rd were 186 students and ended up with 49 students completing the questionnaire. Most of them are referring to themselves as having those essential skills mentioned in previous paragraph and Figure 1.3. The highest percentages for the competencies that they own are the Creativity and Innovation and problem solving competence. Also gained from the pilot study result, 80% person from 49 students involved in pilot study think that the lectures and lesson learned in Telkom University help them gaining those competences. Also gained from the pilot study, 55% of the students stated that their motivation was mostly coming from the social and environment influence. This result is indicating that Telkom University somehow motivates, facilitate and support its students to become a successful entrepreneurs.

Previous study done by Ningrum(2013) was focusing on the Correlation between Entrepreneurship subject and student's interest to entrepreneurship in Universitas

Muhammadiyah Purworejo. The research resulted that there is a positive and significant correlation between the presence of Entrepreneurship subject and student's interest to entrepreneurship. Other quite similar study was titled "The relationship between grades and career success", the research output was the fact that there are no correlations or relationship between the higher grades and professional career success (Afarian and Kleiner, 2003). In Entrepreneurial fields, currently there were not any researches specifically studied about the correlation between academic success and entrepreneurial success in particular.

Therefore, there are big questions whether the academic performance of a student really reflect their abilities when doing businesses. Reviewed from the above statement about the university graduate that contribute to the unemployment, that fact actually make everyone questioned about the quality of a university graduate and eventually questioned the quality of the education. The academic success as a measurement on how successful a student is in school and as an output of education, is also questioned on how it can contribute to the success of the student in being a studentpreneur.

Based on the explanations of the problems above, this research is intended to analyze the Correlation between academic success and Entrepreneurial success in Telkom University. The academic success is covering Learning Outcomes, Persistence and the Skill and competences. Therefore the research title is **"The Analysis of The Correlation between Academic Success and Entrepreneurial Success in Telkom University"**

Problem Statement

As explained above, the number of entrepreneurs in Indonesia is very small. Of the 248 million populations, only 3.87 million or 1.56% are engaged in the field of entrepreneurship (Soepardi, 2015).

Therefore, Indonesia needs the growth of new entrepreneurs. And this growth is expecting the support from many parties including higher educational institutions. Academic success as the success standard of university output is used as the variable to be analyzed and observed on how it correlates to the entrepreneurial success. This is important because if it does correlate to each other, the university had successfully born an intelligent student along with a student that is prepared to be an entrepreneur that resulted to independence when they graduate and also the creation of job opportunities. The other concern is the main factors of academic

success that really contributes to the entrepreneurial success are needed to be found so it is known which factors are needed to be maximized when focusing on entrepreneurial success. Finally the main factors that contribute the most to the entrepreneurial success needed to be converted to programs. This program is later expected to create new entrepreneurs and maximize the growth of new entrepreneurs.

Research Question

1. Is there any correlation of Persistence, Skill and Competencies, and GPA simultaneously to the Entrepreneurial success of Telkom University students?
2. Is there any correlation of Persistence partially to the Entrepreneurial success of Telkom University students?
3. Is there any correlation of Skill and competencies partially to the Entrepreneurial success of Telkom University students?
4. Is there any correlation of GPA partially to the Entrepreneurial success of Telkom University students?

Purpose of the Research

The purposes of this research are:

1. To determine whether there is any correlation of Persistence, Skill and Competencies, and GPA simultaneously to the Entrepreneurial success of Telkom University students to determine whether there is a direct influence of Persistence to the academic success of Telkom University students.
2. To determine whether there is any correlation of Persistence partially to the Entrepreneurial success of Telkom University students.
3. To determine whether there is any correlation of Skill and competencies partially to the Entrepreneurial success of Telkom University students.
4. To determine whether there is any correlation of GPA partially to the Entrepreneurial success of Telkom University students.

Research Benefits

The results of this study are expected to provide the following benefits:

Theoretical Benefits

The output of the research is expected to add and widen the insight and knowledge about the impact of academic success and the success of being a studentpreneur. For further research, it can be a reference for the similar research topic

Practical Benefits

The output of the research is expected to give contribution to the Entrepreneurship Centre for the room of development in giving the Entrepreneurship Center members trainings and programs that are needed to be successful as a studentpreneur.

General/Other Benefits

To be the source of information and useful reference as a basic concept and as a consideration for particular parties involved and interested to the topics.

Research Scope

Location and Object of the Study

The location and object of this study is the entrepreneurship unit in Telkom University, Bandung.

Time and Period

The period of this study starts from August 2015 until December 2015.

Systematical Writing

The writing structure is arranged to provide a general overview about research performed with the following structure are:

CHAPTER I INTRODUCTION

This chapter contains a review of the object study, the background, formulation matter, purpose of study, benefit of research, and research outline.

CHAPTER II LITERATURE REVIEW AND SCOPE OF RESEARCH

Chapter II describes the theories that will support this research. This part also contained the Research Framework of this project.

CHAPTER III RESEARCH METHODOLOGY

In this chapter, the subject matters are Research Methods, approaches, and analysis techniques to explain and answer the problem

CHAPTER IV ANALYSIS AND RESULT

This chapter contains discussion and explanation regarding this research based on the analysis that done in this project, and elaborates the theories that already stated in Chapter II.

CHAPTER V CONCLUSION AND RECOMMENDATION

Consist of restatement of the problem, brief description and procedure, principal findings and conclusions, and recommendations for a further research.