

# Student Motivation and Literacy about Start Up Business (Case Study in Business Administration Department of Bengkalis State Polytechnic)

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**Abstract:** This study aims to determine Student Motivation and Literacy Regarding Start Up Business in the Department of Business Administration, Bengkalis State Polytechnic. This research is categorized as a quantitative descriptive study with a population of students majoring in business. Determination of the sample using the technique of Snowball Sampling and obtained as many as 100 students. The data obtained through the distribution of questionnaires with a Likert scale. The analytical technique used is quantitative descriptive analysis. The results showed that 52% of student literacy in start-up businesses was in the high category, 42% in the medium category and 35% in the low category. As for the motivation in the high category as much as 73%, in the medium category as much as 55%, and in the low category as much as 53%.

**Keywords:** literacy, motivation, startup business

## 1. Introduction

In recent years, the development of start-up businesses in Indonesia has been very rapid. According to data from the OJK, in 2021 there will be 2100 local start-ups in Indonesia. Start-up refers to a company that has not been operating for a long time. These companies are mostly newly established companies and are in the development and research phase of finding the right market. Start-up companies began to develop in the late 90s to 2000. Start-up companies were perceived with everything related to technology, the web and the internet. The presence of a start-up itself aims to gain profit by providing convenience, pampering services to new breakthroughs that consumers have never encountered in offline businesses or businesses whose goods/services are immediately visible in front of their eyes.[1]

Merdeka Campus programs aim to prepare students to become graduates who have the competencies needed in the future. According to McKinsey's prediction, 23 million jobs will be lost in Indonesia to be replaced by automation, smart systems, Internet of Things, and so on.[2] However, new job opportunities are double the lost even 10 million of which never existed. For this reason, students are expected to be part of the creators of these future jobs. At the same time, it is a challenge for universities to prepare students to become graduates who can work in a world that does not exist today.

Students from the millennial generation need to understand the basic concepts of start-up businesses if they want to advance unicorns in Indonesia. One thing that needs to be improved is student literacy and motivation. Literacy is the ability of individuals to use all their potential and competencies in their lives. While motivation is a series of attitudes and values that influence individuals to achieve specific things according to individual goals, these attitudes and values are invisibility that provide strength to encourage individuals to achieve goals.[1] Currently, it is very necessary to form the millennial generation, in this case, students have an entrepreneurial spirit, so that they are able to create and open jobs in Indonesia.

Based on the results of the situation analysis, the main problems that can be identified include; (1) The high open unemployment rate at the higher education level indicates the low level of job acceptance for undergraduate graduates and the limited job opportunities available to them. Therefore, to overcome this, it is necessary to encourage students to become entrepreneurs in order to expand and open up new job opportunities. This encouragement needs to be done early on by building an entrepreneurial spirit and forming entrepreneurial intentions. (2) It is necessary to increase literacy and motivation in business to support entrepreneurial campaigns for students. Literacy and motivation regarding business start-ups as capital for students to see and take opportunities from existing business trends in establishing new businesses.

To simplify the problem and clarify the research, the limitation of the problem in this study is only to examine the level of Student Motivation and Literacy regarding Start Up Business in the Department of Business Administration,



Bengkalis State Polytechnic for the last 5 years. The objectives to be achieved in this study are: To determine the level of motivation and literacy and what factors influence the motivation and literacy of students regarding Start Up Business in the Department of Business Administration, Bengkalis State Polytechnic.

### **Start-Up Business**

A business start-up is a company that has not been operating for a long time. These companies are mostly newly established companies and are in the development and research phase of finding the right market.[3] Start-ups are human institutions, they can be individuals/individuals or companies. Start-ups are founded by individuals or companies in order to sell new products or services. Start-ups as newly established businesses face conditions of very high uncertainty, whether the start-up will succeed or fail.[4]

In general, the startup business itself prioritizes new ideas that can provide solutions to the problems of society and consumers on the market. With this rapid technological development, startup companies usually refer to companies that provide or have services or products that are engaged in technology or digital.[5] Based on existing data, there are at least more than 1000 startup business players in Indonesia who are developing quite well. Based on a quote from a Kompas TV source about what a startup is and for example, a business can be called a startup business if it has at least three factors consisting of the founder or founder, owner or funder or investor, and the products or services offered.[6]

However, this startup business itself cannot necessarily succeed without the support of the donor or the owner of the funds, who are often referred to as angel investors or often referred to as angel investors. Angel investors are parties who are usually the first to invest in a business and have the courage to take big risks on the concept of a product offered by a startup business when other funders or other investors have not dared to do so.[7]

As an angel investor and entering when starting a business, the owner of this fund can usually demand accuracy and detail on the products made by this startup business, such as the application used, the market strategy of a product, to the target market of the product. When a startup business that is funded by an angel investor is successful, that person will become the largest shareholder. And vice versa, where if the business fails, the funds provided by the investor will disappear.[7]

The following are some of the awards that startup businesses get according to their growth: (1) Cockroach, given to a newly released business, has a high survival rate and is persistent in seeking funding; (2) Ponies, awarded to businesses that already have a value of 10 million dollars and are still working on increasing it; (3) Centaurs, awarded to businesses that already have a value of about 100 million dollars and are considered to have sustainable products; (4) Unicorns are given to businesses that already have a value of more than 1 billion dollars, for example in Indonesia, Tokopedia, Shopee, Bukalapak; (5) Decacorn, given to businesses that already have a value of more than 10 billion dollars and are able to expand to other countries to start market dominance; and (6) Hectocorns, awarded to businesses that already have a value of more than 100 billion dollars, are awarded to companies that are successful for monopolizing the industry at an international level such as Google, Apple, Microsoft, and many more.[8]

### **Dimensions of Entrepreneurial Motivation**

Entrepreneurial motivation is the overall driving force in an entrepreneur that gives rise to entrepreneurial activities that ensure the continuity of entrepreneurial activities and which provide direction to entrepreneurial activities so that the desired goals can be achieved.[9] Entrepreneurial motivation is the driving force in a person to carry out entrepreneurial activities in order to achieve entrepreneurial goals.[10] Entrepreneurial motivation is a condition that encourages, moves and directs the desire of individuals to carry out entrepreneurial activities, independently, believe in themselves, oriented to the future, dare to take risks, be creative and highly value the desire for innovation.[11] Entrepreneurial Motivation or entrepreneurial motivation involves motivation directed at entrepreneurial goals (goals that involve awareness and exploitation of business opportunities).[12]

Based on the description above, it can be concluded that entrepreneurship motivation is a condition that encourages, moves and directs the desire of individuals to carry out entrepreneurial activities, independently, believe in themselves, oriented towards the future, taking risks, being creative and highly appreciative of the desire for innovation, and oriented towards profit and profit.

The dimensions of entrepreneurial motivation are achievement, affiliation, and power. [13] (1) Achievement motivation, is an encouragement within a person to overcome all challenges and obstacles in achieving goals. Entrepreneurs are oriented and work hard if they perceive that they will gain personal pride for their efforts, if there is little risk of failure, and if they receive specific feedback on past achievements; (2) Affiliation motivation, is the urge

to connect with people on social grounds. Affiliate-motivated people perform better when they are praised for their pleasant demeanor and cooperation; and (3) Power motivation, is the drive to influence people and change situations. Power-motivated people want to make an impact and are willing to take the risk to do so. [13]

### Literacy

Students from the millennial generation need to understand the basic concepts of start-up businesses if they want to advance unicorns in Indonesia. One thing that needs to be improved is student literacy. Literacy is the ability of individuals to use all their potential and competencies in their lives. The benefits of literacy are to train thinking and analytical skills, add new insights and information and improve interpersonal skills.[14]

Start-up business literacy is a new thing, based on a collection of literature, researchers define it as the ability to know and understand everything related to start-up businesses, understand how the basic concepts and how to develop them, to understand how to apply them.[15]

It is important now to form the millennial generation, in this case, students have an entrepreneurial spirit, so that they are able to create and open jobs in Indonesia. According to Okezone news, the majority of employees at Bukalapak are millennials with an age of 26 years. Based on the background description above, the researcher wants to know the literacy level of start-up business in students.[16]

There are 3 indicators that affect literacy in entrepreneurship, namely: (1)Basic knowledge of entrepreneurship, business interest needs to be realized by the existence of information to find or create business opportunities so as to help realize their business; (2) Knowledge of business ideas and opportunities, the formation of business interest in producing a business requires structured thoughts or new things; and (3) Knowledge of business aspects, existing information will create a process through various obstacles and risks that will be passed to realize their business. [17]

## 2. Methods

The type of research used is descriptive quantitative with an observational method, namely research that seeks to describe a symptom, event, event that is happening at the present time. In other words, descriptive research takes problems or focuses attention on actual problems as they were at the time the research was carried out.[18] Research has taken place at the Department of Business Administration, Bengkalis State Polytechnic. The stages in this research are: (1) Preparation and submission of proposals; (2) Preparation of a list of questions for research; (3)Research data collection; (4)Research data processing; (5)Analysis of results and preparation of research reports; and (6) Writing scientific articles for seminars or publication in national journals.

Data collection techniques by distributing questionnaires to students of the Department of Business Administration. Research respondents were determined by means of Snowball Sampling, which is a technique of determining the sample which is initially small in number, then this sample selects friends to be sampled, and so on, so that the number of samples becomes large. It's like a snowball that rolls and gets bigger and bigger. The descriptive data analysis technique in this quantitative research is in the form of analyzing, describing and summarizing events or phenomena from the data obtained through interviews and direct observations in the field. Data is usually presented in the form of graphs or tables.[18]

To see the age of the respondents in this study can be seen in Table 1. below:

**Table 1. Characteristics of Respondents by Age**

No.	Age (Year)	Total (Percent)	Percentage
1	18-19	54	54 %
2	20-21	31	31 %
		15	15 %
Percentage		100	100 %

To see the age of the respondents in this study can be seen in Table 2. below:

**Table 2. Characteristics of Respondents by Study Program**

No.	Study program	Total (Person)	Percentage
1	Business Administration	14	14 %

2	Business Administration International	20	20 %
3	Digital Business	51	51 %
4	Public Financial Accounting	15	15 %
Total		100	100 %

### 3. Result and Discussion

Based on the results of the research that has been done, the researchers can describe and interpret the level of Literacy and Business Start-up Motivation in Bengkalis State Polytechnic Students, which can be seen in the following table:

**Table 3. Start-up Business Literacy for Students**

Information	Start-up Business Literacy for Students					Total
	SS	S	N	TS	STS	
Basic knowledge of start-up	42%	51%	7%	0	0	100%
Knowledge of start-up business ideas and opportunities	52%	39%	9%	0	0	100%
Knowledge of start-up business aspects	35%	45%	18%	2%	0	100%

From the survey results, it can be concluded that there is a literacy level in the start-up basic knowledge indicator as many as 42% of respondents strongly agree. This illustrates that students already understand enough about the basic science of start-up business. Furthermore, on the indicator of knowledge of ideas and start-up business opportunities as much as 52% strongly agree, meaning that students know about business ideas and opportunities from start-ups. Finally, in the knowledge section on aspects of the start-up business, 35% strongly agree. In this indicator, it can be seen that students already understand enough about the business aspects involved in this start-up.

**Table 4. Motivation for Start-up Business in Students**

Information	Motivation for Start-up Business in Students					Total
	SS	S	N	TS	STS	
The need for achievement	53%	37%	10%	0	0	100%
Need for affiliation	73%	16%	11%	0	0	100%
The need for power	55%	40%	4%	1%	0	100%

From the survey results, it can be concluded that there is a level of motivation in the indicator of the need for achievement as much as 53% with the answer strongly agree. This illustrates that students with a need for achievement are indeed very high. Furthermore, in the section on the need for affiliates, 73% strongly agree, meaning that students do need affiliates in a start-up business. Finally on the need for power as much as 55% strongly agree. In this section it can be seen that power is indeed needed.

### 4. Conclusions

Based on the results of the author's exposure and the resulting research findings, it can be concluded that 52% of students at the Bengkalis Polytechnic Department of Business have a good level of literacy (well literate) regarding start-up businesses, and 73% of students have a strong motivation to start a start-up business up.

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