The Influence of Training Program on Entrepreneurship Development

Sukma Nugraha [1], Rivaldy Maolani [2*], Aas Yulianti [3], Nizar Alam Hamdani [4], Intan Permana [5]

[1-5] Universitas Garut, Garut 44151, Indonesia
24081121058@fkwu.uniga.ac.id

Abstract. This study investigates the effect of training programs on entrepreneurship development in startup businesses. According to the National Entrepreneurship Index, Indonesia occupies the lowest position among other countries. This situation will always be the same if there are no developing training programs for startup business actors, such as a startup accelerator program in the form of business incubation for startup companies. To obtain data on entrepreneurship development in Indonesia, researchers used descriptive quantitative methods on 30 respondents, who were met face-to-face and virtually. The data collection process used a cross-sectional survey approach. The data collected was then analyzed with the path analysis method using SmartPLS software. Based on the analysis result, there is a direct effect of the training program on startup businesses. Besides, there is also the influence of startup businesses on entrepreneurial development. Finally, there is an indirect effect of the training program on entrepreneurial development. The training program's impact on startup businesses is more significant than that of startup businesses on entrepreneurship development. Observing the results of the indirect effect of the training program on entrepreneurship development, researchers consider that the role of the startup business is vital.

Keywords: Business Startup, Entrepreneurship Development, Training Program.

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1 INTRODUCTION

Entrepreneurship development creates long-term value for a company by developing business, market, and customer relationships [1]. Long-term value is defined as income and corporate image [2]. Entrepreneurship development can be in the form of finding new opportunities for companies to develop new businesses that can be marketed [3]. The development of entrepreneurship in Indonesia still needs to meet the expectations for economic growth. According to the Deputy for Entrepreneurship at the Ministry of Cooperatives and SMEs in Indonesia, only 3.47% of the population is involved in entrepreneurial ventures. These ventures are vital for creating jobs, driving innovation, and increasing economic productivity. In the United States, startups under a year are essential for creating new jobs, but the rate of startups has decreased, resulting in a decline in job creation. The per capita startup job creation has decreased from 7.52 jobs in 1998 to 5.27. This percentage is much lower than in developed countries, requiring a national entrepreneurship index score of at least 12% of the population. Therefore, entrepreneurship needs to be a national program encouraging increased participation to maximize its potential contribution to the economic development of both third-world and developed countries [4,5].

Table 1. National Entrepreneurship Index

Number	Nationality	Score
1	UEA	7.2
2	Saudi Arabia	6.3
3	Taiwan	6.2
4	India	6.1
5	Netherlands	5.9
6	Lithuania	5.8
7	Indonesia	5.8

According to the researchers, entrepreneurship development is an effort made by developing an entrepreneur to be more qualified (B L Bastian), both in knowledge and skills or abilities and mentality, with the hope of creating independence in conducting business activities [6]. The following are the hypotheses proposed in the study *H1: Business startup influences entrepreneurship development.* Current market conditions are crucial to managing enterprise entities' development to promote innovation and development. The study proposes the following hypothesis: *H2: Training program influences startup business.* Business incubators help improve business capacity building and product development skills and enhance business management and marketing skills. Additionally, they offer personalized training to improve skills. The following hypotheses are proposed in study *H3: Training program indirectly influences entrepreneurship development through bisnis startup.* This study measures the training program based on four indicators: development skills, business management skills, marketing skills, and training skills (Gilar-Corbi et al., 2019). Business incubators help improve business capacity building and product development skills and enhance business management and marketing skills. Additionally, they offer personalized training to improve skills.

2 METHODS

2.1 Hypothesis

The research design used was casual. According to the literature review, this study was conducted based on the grand theory of entrepreneurship, entrepreneurship development, training programs, and business startup[6], as shown in Fig. 1.

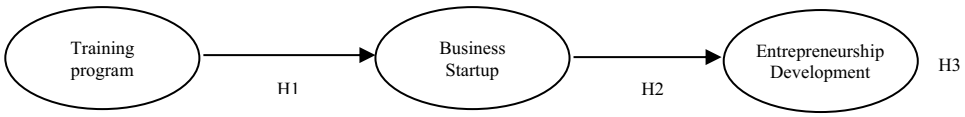

Figure 1. Relationship between the training program and entrepreneurship development mediated by business startup

2.2 Sample and Data Collection

The population of this study was Indonesian society. The researchers provided the population limit in the unit of analysis in which the students are individuals. The survey was sent via email and face-to-face to 141 randomly. The study had a 21% response rate with 31 respondents. Around 4.0% of respondents had the same rating for all items. Therefore, the sample of this study was 30, which are the respondents who provided varied ratings for all items. The data analysis technique in this quantitative study utilized a statistical approach. Data analysis procedures were as follows: 1) confirmatory factor analysis was performed on the scales to confirm the structure of the constructs, followed by 2) the test of hypothesis based on a structural equation modelling (SEM). The program used analysis with the path analysis method was SmartPLS. The interval measurement scale allowed researchers to perform arithmetic calculations on data collected from respondents [7].

3 RESULTS AND DISCUSSION

3.1 Result

3.1.1 *Outer Model Testing*

The result of outer model testing in this study is: 1) development skills, managing business skills, marketing skills, and training skills can develop a variable construct of the training program; 2) professional environment, professional goal, and entrepreneur quality can develop a variable construct of entrepreneurship development, 3) mentoring session, platform, and consulting service can develop a variable construct of business startup. The estimated value of the λ parameter on the indicators of exogenous, endogenous, and intervening variables shows a coefficient greater than 0.7 and is significant at $\alpha = 0.05$. This means the indicator sets a valid and reliable factor on each latent variable or construct. The first measurement showed four construct variables: business startup and entrepreneurship development with uncompleted status. This means that business idea and survival do not match the business startup indicator in this study. Then, networking and mediation do not match this study's entrepreneurship development indicator.

Table 2. Outer Loading

Exogenous Variables	λ	Endogenous Variables	λ	Intervening Variables	λ
Training Program		Entrepreneurship Development		Business Startup	
TP1-Development skill	0,782	ED1-Professional environment	0,767	BS1-Mentoring session	0,791
TP2-Managing business skill	0,789	ED2-Business idea	0,827	BS2-Platform	***0,544***
TP3-Marketing skill	0,853	ED3-Professional goal	0,735	BS3-Consulting service	0,774
TP4-Training skill	0,703	ED4-Entrepreneur quality	***0,676***	BS4-Networking service	0,834
		ED5-Survive	***0,691***	BS5-Mediation	***0,643***

Source: [8]

3.1.2 Inner Model Testing

Inner model testing can only be done if outer model testing has been declared valid and reliable by loading the value of R^2 in the construct. The structural model in Partial Least Square is evaluated using the Good of Fit Model, which is a way to show the difference between the observed value and the value estimated by the model. Based on Table 3. it is known that the position of variable entrepreneurship development in the inner model is the middle[8].

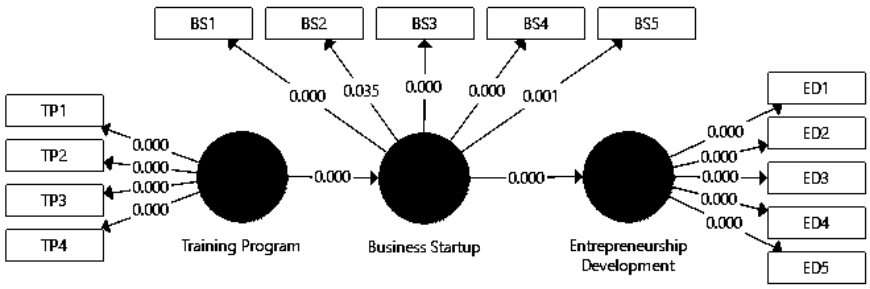

Figure 2. Bootstrapping (P-value)

The square root of the Average Variance Extracted will be used to analyze the discriminant validity of all constructs in the research model. It is known that all AVE values > 0.6, Cronbach Alpha > 0.7, and Rho value > 0.7 mean that the measurement model of the three variables is consistent and accurately makes measurement and constructive testing, except perceived interactivity. The total measurement model is in Figure 2. Describes that three variables have a P-value level of < 0.05, so it can be said to be valid, except for the variable perceived interactivity.

Table 3. Structural Model Testing

Latent Variables	AVE	Cronbach Alpha	Rho	R-square
Entrepreneurship Development	***0.549***	0.797	0.809	0.531
Training Program	0.613	0.790	0.809	
Business Startup	***0.526***	0.769	0.788	0.451

3.1.3 Hypothesis Testing of H1

The effect of business startups on entrepreneurship development is indicated by an R^2 value of 0.677 or 67.7%. The subsequent analysis was conducted to determine whether business startups affected entrepreneurship development. In this study, the central

hypothesis that was tested was H1. The significance of P-value 0.000 < 0.05 means that H1 described in Table 4. was accepted and widely applied outside the research focus. This study's results align with the previous study that stated that entrepreneurship development was positively and significantly influenced by business startups [6]. Previous studies have mainly concentrated on professional environment, business ideas, professional goals, entrepreneur quality, and survival [9].

Table 4. Hypothesis Testing of H1

	Hypothesis	λ	STDEV	T-values	P-values	R-square
H1	Business startup → Entrepreneurship development	0.703	0.081	8.406	0.000	0.677

3.1.4 Hypothesis Testing of H2

The level of effective training programs for business startups is indicated by an R^2 value of 0.609 or 60.9%. In this study, the central hypothesis that was tested was H2. The significance of P-value 0.000 < 0.05 means that H2 described in Table 5. was accepted and widely applied outside the research focus. This study's results align with the previous study that stated that business startup was positively and significantly influenced by training program [6]. Previous studies have mainly concentrated on mentoring sessions, platforms, consultation services, networking services, and mediation [9].

Table 5. Hypothesis Testing of H2

	Hypothesis	λ	STDEV	T-values	P-values	R-square
H2	Training program → Business startup	0.639	0.137	4.402	0.000	0.609

3.1.5 Hypothesis Testing of H3

The indirect effect of the training program on entrepreneurship development is indicated by an R^2 value of 0.412 or 41,2%. The subsequent analysis was conducted to determine whether the training program indirectly affects entrepreneurship development. In this study, the central hypothesis that was tested was H3. The significance of P-value 0.000 < 0.05 means that H3 described in Table 6. was accepted and widely applied outside the research focus. This study's results align with the previous study that stated that training program indirectly affects entrepreneurship development positively and significantly [6]. This study examined the indirect effect of training programs on entrepreneurship development in Indonesian society; based on the research model, this study expanded our understanding and academic perspectives of entrepreneurship development by verifying the training program through business startups concentrated on mentoring sessions, consultation, and networking services. Previous studies have mainly concentrated on mentoring sessions, platforms, consultation services, networking services, and mediation [9].

Table 6. Hypothesis Testing of H3

	Hypothesis	λ	STDEV	T-values	P-values	R-square
H3	Training program → Business startup → Entrepreneurship development	0.412	0.115	3.577	0.000	0.609*0.677

3.2 *Discussion*

After analyzing the theories and the results of the previous studies, the researchers found that this study has a broad scope of existing knowledge by exploring the importance of business incubation training programs for startup business owners [10]. This study aims to develop concepts and examine the role of business incubation programs for startup businesses, which play a significant role in developing entrepreneurship. Training program services are essential for business incubators, especially startup business development. This service is considered necessary for continuous learning and skills development, so it will be instrumental in developing an entrepreneur. They also provide customized services tailor-made according to the needs of each entrepreneur. A startup accelerator is a short-term program of one to three months. It helps startup groups start their business and go through the business development process with a mentoring scheme that ends with graduation, accompanied by an investor seminar.

4. CONCLUSION

The researchers utilize relevant theoretical ideas in this journal, tailored explicitly to the examined problems. The journal contains presentations in the form of tables, graphs, and documentation images in this journal. In addition, the researchers use language that is easy to understand, uses a lot of sources and literature, and is arranged systematically. In the discussion section, the researchers are good enough at presenting and explaining the research results. They also provide supporting theories from the results obtained from previous journals with the topics discussed. The answers to the hypotheses tested have been explained in the discussion section. The researchers are aware of all the deficiencies in this study. Therefore, the researcher suggests further research to expand references to make the data obtained more detailed and complete. Furthermore, the training programs studied can also be added so that the scope of the research can be more beneficial for those who need it or respondents. The entrepreneurship index used in this study needs to be updated because it was the last published; therefore, in future research, it is recommended to use the newly published entrepreneurship index. Many respondents in this research instrument are high school students, most of whom have studied entrepreneurship but are immature. The occurrence of monkey data is enabled, and the proposed hypothesis will be rejected. Therefore, the researcher suggests that future researchers target instrument respondents.

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