

+62 813 8765 4578

+62 813 8765 4578 (9)

https://dinastipub.org/DIJEMSS

E-ISSN: 2686-6331, P-ISSN: 2686-6358



# DEVELOPING MICRO, SMALL AND MEDIUM ENTERPRISES THROUGH ENTREPRENEURSHIP TRAINING AND GROWING ENTREPRENEURSHIP MOTIVATION (EMPIRICAL CASE STUDY OF SMALL AND MEDIUM ENTERPRISES IN EAST JAKARTA SMALL INDUSTRIES VILLAGE)

#### Siska Yuli Anita

Lecturer of Raden Intan Lampung State Islamic University, Lampung, Indonesia

## **ARTICLE INFORMATION**

Received: 17<sup>th</sup> April 2020 Revised: 20<sup>th</sup> May 2020 Issued: 6<sup>th</sup> June 2020

Corresponding author: first author

E-mail:

siyua\_english@yahoo.co.id



DOI:10.31933/DIJEMSS

**Abstract:** This study aims to analyze: 1) The effect of entrepreneurship training on the motivation of micro and small business entrepreneurs in the East Jakarta Small Industrial Area. 2) The effect of entrepreneurship training on the development of micro small and medium enterprises in the East Jakarta Small Industrial Village area 3) The influence of motivation on the development of micro small and medium businesses in the East Jakarta Small Industrial Village area. This research uses a quantitative method using SEM Lisrel 8.8 Program analysis tools. The number of respondents was 253 respondents of micro small and medium enterprises in the East Jakarta Small Industrial Village. The results of the study stated: 1) the influence of entrepreneurship training on the motivation of micro and small business entrepreneurs in the region East Jakarta Small Industrial Village. 2) the influence of entrepreneurship training on the development of micro small and medium enterprises in the East Jakarta Small Industrial Area 3) The influence of motivation on the development of micro small and medium businesses in the East Jakarta Small Industrial Village area.

**Keywords:** Entrepreneurship, motivation, and business development

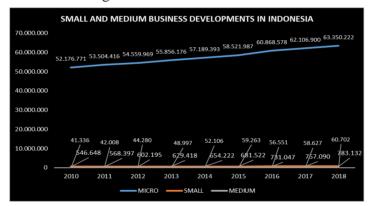
#### INTRODUCTION

The role of micro, small and medium enterprises in Indonesia is very important and has become a pillar of the Indonesian economy. Aside from being a pillar of the national economy, micro, small and medium enterprises are a solution for the expansion and fulfillment of employment in Indonesia. The resilience of micro, small and medium enterprises was proven when the economic crisis hit Indonesia at the end of 1998 where most of the economy in Indonesia was helped by micro small and medium enterprises.

E-ISSN: 2686-6331, P-ISSN: 2686-6358

Law No. 20 of 2008, concerning micro, small and medium businesses, defines that micro businesses are productive businesses owned by individuals and / or individual business entities while small businesses are productive economic businesses that are independent, carried out by individuals or entities businesses that are not subsidiaries or branch companies that are owned, controlled, or become a direct or indirect part of a medium or large business. A medium-scale business is a productive economic business that stands alone, which is carried out by an individual or business entity that is not a subsidiary or branch of a company that is owned, controlled, or becomes a part either directly or indirectly with a small business or large business with a net worth or annual sales results as stipulated in the Act.

The existence of this law gives rise to the development of economic activities in the lower classes as a pillar of the national economy. From 2010 to 2018 the development of micro, small and medium enterprises has continued to develop rapidly so that it can absorb a large workforce as shown in Figure 1.1 below.



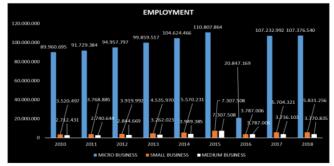


Figure 1.1: Development of MSME and Manpower Absorption

Source: dekop.go.id (accessed January 20, 2020)

Based on Figure 1.1, it can be seen that the development of micro small and medium enterprises from 2010 to 2015 experienced a growth of 6,498,022 micro, small and medium enterprises throughout Indonesia. The biggest contributors to the increase in growth were micro businesses totaling 6,345,216, followed by small businesses totaling 134,879 and medium enterprises totaling 17,927. Likewise in the 2016 - 2017 period there was an increase of around 1,243,322 from micro businesses, 26,043 from small businesses and 2,075 from medium businesses. Whereas in the 2017-2018 period, the increase in micro, small and medium enterprises amounted to 1,271,440, consisting of 1,243,322 microbusinesses, 2,043 small-scale businesses and 2,075 medium-sized businesses. From the development of small and medium enterprises in the period 2010-2015 has absorbed a workforce of 27,035,764 workers. While the period 2016-2017 absorbed 3,844,805 workers and the period 2017 - 2018 amounted to 3,186,411 workers. The growth of small and medium enterprises as a whole is still small if we compare it to the population of Indonesia, but nationally this growth gives strength to the Indonesian economy.

In addition to the development of micro and small businesses growing rapidly nationwide, the development of the province also continues to grow. Thousands or even millions of small and medium-sized businesses are growing rapidly in DKI Jakarta province. The centers of micro and small business units continue to be driven by the DKI Jakarta government. These centers are scattered in six municipal areas of DKI Jakarta such as Central Jakarta, West Jakarta, East Jakarta, South Jakarta, North Jakarta and the Thousand Islands. Based on data from page bps.go.id, the number of Micro, Small and Medium Enterprises (UMB) in the Province of DKI Jakarta is 1,214,420 MSMEs spread into 13 business categories, namely BDE, C, F, G, H, I, J, K, L, MN, P, Q, RS and are divided into six territorial regions namely East Jakarta, West Jakarta, Central Jakarta, South Jakarta, North Jakarta and the Thousand Islands. In this study, researchers are interested in the small industrial village area in East Jakarta. East Jakarta Small Industrial Village (PIK) with a total of 691 micro and small businesses that occupy 1,261 business facilities. Micro, small and medium enterprises play a major role in sustaining national economic stability as well as absorbing labor in each province including DKI Jakarta. To empower micro, small and medium enterprises, there are many challenges and obstacles starting from the classic problem of business capital, management training, and assistance, so that the government to develop small and medium enterprises (MSMEs) requires a large amount of capital to achieve their growth targets. As the results of a preliminary survey distributed to 30 SMEs in the Small Industrial Village, Pulogadung, East Jakarta, produced several respondents' statements which would later be used as the basis of research for researchers. The preliminary survey results can be seen in Figure 1.2 as follows:

Figure 1.2. Research Factors

Source: Processed by researchers (2020)

In conducting a preliminary survey, the researcher gave one question in the form of an open question to 30 respondents. The open question the researcher made as a preliminary survey instrument was "What are the factors that are obstacles in running your business?" Based on Figure 1.2, the management training and motivation factors are the factors that get the highest answer value from the respondent. To conduct further research, researchers will use the training and motivation factors as an analysis tool to determine the extent of the relationship between these two factors with the development of micro, small and medium enterprises of MSMEs in East Jakarta's Small and Medium Industries Village.

Many factors as a cause of micro, small and medium enterprises cannot develop apart from the classic problem of venture capital, so the problem of lack of training to drive MSME businesses is a problem that needs to be resolved. When their business knowledge does not have, even though they have some expertise in producing goods and business capital is available, the smooth running of their business will be constrained so that it will affect the motivation of SMEs. Based on the empirical background and literature described above, the researchers in this study took the title "Developing Small and Medium Enterprises through Entrepreneurship Training and Growing Entrepreneurship Motivation.(Empirical Case Study of Small and Medium Enterprises in East Jakarta Small Industries Village ".

### Formulation of the problem

Based on the description above, the problem that will be analyzed in this study is how the influence of entrepreneurship training on motivation and development of micro and small businesses in the SMEs of East Jakarta Small Industries Village. How does motivation influence the development of micro small and medium enterprises in the East Jakarta Small Industrial Village.

## Research purposes

The purpose of this study is to determine the effect of entrepreneurship training, motivation on the development of micro small and medium enterprises and the effect of

motivation on the development of micro small and medium enterprises in the Pulogadung Small Industrial Village in East Jakarta.

E-ISSN: 2686-6331, P-ISSN: 2686-6358

#### **Benefits of Research**

This research is expected to have the following benefits:

### 1. Theoretical Benefits

This research is expected to broaden knowledge on science, especially in the field of micro and small business development and is expected to be useful for other researchers.

### 2. Practical Benefits

From the practical aspects of the use of this study to determine the effect of entrepreneurship training, motivation on the development of micro small and medium enterprises in the Pulogadung Small Industrial Village in East Jakarta.

### LITERATURE REVIEW

## **Understanding Entrepreneurship**

Many experts have discussed the definition of entrepreneurship or entrepreneurship. So that the notion of entrepreneurship is so diverse but basically entrepreneurship can be defined as a person's ability to see business opportunities and analyze and mobilize the resources they have for the purpose of gaining the benefits of those opportunities.

These opportunities are managed in such a precise and meticulous manner and then take the opportunity to ensure the success you want to achieve. According to Coulter (2001), Entrepreneurship is a process in which an individual or group of individuals uses organized efforts and means to pursue opportunities to create value and growth by fulfilling desires and needs through innovation and uniqueness, and does not care about the source the power that is currently being controlled. Whereas Kuratko and Hodgetts (2004) define entrepreneurship as a dynamic process, a vision of change and creation. Entrepreneurship is a collaboration between the application of creativity and innovation in solving problems by trying to take advantage of several opportunities that exist (Thomas W. Zimmerer, 2008). Entrepreneurship also means someone who founded and runs an innovative business (Andrew J. Dubrin, 2008). Entrepreneurship or entrepreneurship is someone who is brave enough to take risks in opening a business when the opportunity is valued as a good opportunity. (Cashmere, 2011).

According to Muhammad Syahrial Yusuf (2013), a person who has an entrepreneurial spirit is someone who has the characteristics of proactive, productive, empowering, creative, and innovative. Proactive that is active in finding information for the interests of the business they are engaged in, in order to be able to take an appropriate and wise attitude so as to create a business strategy to expose existing competition. Earning is a person who can manage finances carefully, thoroughly and calculated so that every expenditure of money is only used for productive purposes and provides a profit. While Creative is a person who is able to capture and analyze existing business opportunities and be able to develop them and be able to execute those opportunities. Innovative, that is able to make updates in running its business so that the business it runs continues to grow and continue to follow the times. Thomas W Zimmerer (1993) describes the characteristics of

an entrepreneurship that is someone who has the characteristics of being responsible, committed, brave to choose risk, confident, always wanting feedback, enthusiasm and hardworking, forward-oriented, having organizational skills, and valuing achievement.

## **Understanding Entrepreneurship**

Training Training is an educational process that is carried out in the short term by using systematic procedures aimed at developing the ability of human resources, through a series of identification, assessment and learning processes in a planned manner so that they can carry out tasks in a sustainable manner. Training is a series of employee or individual activities in systematically increasing expertise and knowledge so as to be able to have professional performance in their fields, Widodo (2015). The ability of employees or individuals can be developed and trained through increased knowledge and understanding of general knowledge, economic knowledge, and mastery of decision-making theories in dealing with various kinds of problems in the company (Soeprihanto, 2001). With training, employee behavior can be improved and modified according to the goals of the organization. (Rivai and Sagala, 2011)

From the opinions of some experts, we can synthesize that entrepreneurship training is a short-term process with the aim of improving, increasing ability, developing, motivating both general knowledge and entrepreneurial knowledge in a systematic and planned manner so that each individual is able to develop and improve business performance.

## **Understanding Motivation**

The term motivation comes from the Latin word, namely: motive which means the cause, basic reason, basic thoughts of encouragement for someone to do or the main idea that always has a big influence on human behavior. Motive is sometimes interpreted as the needs, desires, impulses, gestures in a person. The motive is directed at the goal.

According to Koh (2015: 13), Motivation is "To be motivated means to be moved to do something. A person who feels no impetus or inspiration to act it thus characterized as unmotivated, whereas someone who is energized or activated towards an end is considered motivated. " That is something that gives encouragement to individuals to do something desired work in accordance with the inspiration or desire of the individual. Individuals who have motivation such as getting energy to do the work while for individuals who do not do something work are considered to have no motivation. That the individual has the urge to do a job and after the urge continues to do the work until the individual gets the results of his work, the urge is motivation. According to Wasylyshny(2014), Motivation is part of individual behavior that plays a role in providing encouragement to take / do something (decision). Pressure in the business world has increased in various sectors so that individual performance is of particular concern especially with regard to employee motivation. According to Kanfer (2017) motivation is something that is able to influence the skills developed by individuals, the work and career pursued by individuals, and the way individuals allocate their resources (for example, attention, effort, time, and human and social capital) to influence the direction, intensity and the persistence of activities during work. Meanwhile, according to Graves (2018) motivation is something that is determined

solely by the individual for what is done, how to do it and how far the business is done. The description reveals motivation is an attempt by an individual based on the wishes of the individual.

Motivation can also be defined to achieve something difficult. To master, manipulate, or arrange physical objects, humans, or ideas. To do this as quickly and independently as possible. To overcome obstacles and achieve high standards. To excel from oneself. To rival and surpass others. To increase self-esteem by successful talent training, (Kinicki and Kreitner, 2008). So motivation is the drive to accomplish something difficult. To become an expert, manipulate or manage goals, humanity or ideas. To do something as fast and as freely as possible. To surpass challenges and try new standards. To surpass yourself. To rival and surpass the others. To increase self-esteem by training the success of talent.

Based on the opinion of the experts above, it can be synthesized that motivation is part of the behavior of individuals who encourage and influence individuals to do a job or pursue a business opportunity that is considered beneficial to the organization and the individual.

# **Development of Micro Small and Medium Enterprises**

To determine the criteria for success of a micro, small and medium enterprises (MSMEs) there are many variations or many kinds of opinions depending on the shape and type of the MSME company itself. In this research in determining the success of micro, small and medium enterprises (MSMEs) obtained by using surveys and case studies from several opinions of small and medium business actors in Pulogadung Small Industrial Village (2019). The preliminary survey results found that the development of micro, small and medium enterprises (MSMEs) can be seen from how much turnover they get, how much workforce is absorbed and how much the customer network is obtained. These indicators are benchmarks in analyzing the development of micro, small and medium enterprises. Of course, benchmarks such as the size of the turnover, the amount absorbing the workforce and the extent of the marketing network that was successfully built is a concrete benchmark.

As for the findings of previous studies, the factors that influence the success of SME businesses depend on the characteristics of small and medium enterprises themselves. Like the results of research conducted by Kristiansen, Furuholt, & Wahid, (2003) and Rutherford & Oswald, (2000) in their research found that the success of small and medium enterprises (SMEs) is determined by the characteristics of entrepreneurs and business strategies. Swierczek & Ha, (2003) found the success of small and medium businesses (SMEs) is determined by management, knowledge, resources and finance. Wiklund (1998) and Hitt & Ireland (2000) in determining indicators of success of small and medium-sized enterprises (SMEs) can be determined by their products and services. Whereas Hitt & Ireland (2000) and Jarillo (1988) in their research found that the determining factor for the success of small and medium-sized businesses (SMEs) is influenced by the ways in which small and medium-sized businesses do business and cooperation.

Chuthamas.C, Aminul Islam., And Keawchana Thiyada (2016) in their research found that the factors that influence the development of small and medium-sized businesses can be seen from six characteristics namely in terms of entrepreneurs and SMEs,

management and knowledge, products and services, ways of doing business and cooperation, resources and finance, and the external environment.

From the opinions of the SMEs, experts and previous researchers, a conclusion can be drawn that concretely measuring the success of small and medium enterprises can be done by analyzing indicators such as MSME turnover, absorbed workforce and customer networks. These indicators are benchmarks in analyzing whether or not developing a micro, small and medium business that will be used in the analysis of this study further.

## **Conceptual Framework**

# 1. The Effect of Entrepreneurship Training on Motivation

As explained earlier, training is an educational process carried out in the short term by using systematic and planned procedures aimed at developing human resource capabilities, through a series of activities in identification, assessment and planned learning processes so that able to carry out tasks on an ongoing basis. While motivation is an impetus for someone to do or main ideas that always have a big influence on human behavior. Motive is sometimes interpreted as the needs, desires, impulses, impulses in a person who are directed to achieve human goals and desires. Based on the results of previous studies, entrepreneurship training can affect the motivation of micro and small businesses in running and developing their businesses. Small and medium business actors will succeed or succeed if they have a lot of knowledge about the development of the business they are doing. While entrepreneurship knowledge can only be obtained from a training that is systematic and programmed.

The results of research conducted by Vera Firdaus.V & Hasanah.H (2019) with the object of entrepreneurship training for people with disabilities in Jember Regency found a correlation between entrepreneurship training and entrepreneurship motivation of the trainees. Research conducted by Kurniawan.HR (2019) with the object of research of students who have been entrepreneurs found the results of research that both directly and indirectly entrepreneurship training significantly influence student motivation in entrepreneurship. Research conducted by Gabriel Tanusi &, Yulius Laga (2020) with the object of research on job training participants in UPTD LLK UKM Ende, found that training can motivate simultaneously the entrepreneurial interest of trainees uptd llk ukm Ende Regency. Research conducted by Maulani.TS, Dialysa.F, Prawirasasra.KP (2016) with the object of research by business actors in RW 02 Neglasari Urban Village produced the results of a research analysis that entrepreneurship training can increase business motivation of trainees. Harini Sri (2014) in her research found that training affects the income of micro food and beverage entrepreneurs. Furthermore, research conducted by Rini Hidayati, Muslikh, Nazwirman (2018) with the object of research is the UKM of Business Tourism village entrepreneurs. The research found that training had an effect on increasing the competitiveness of SME products.

From a series of previous research analyzes it can be synthesized that entrepreneurship training can significantly influence both directly and indirectly on the entrepreneurial motivation of the trainees. This reinforces the design of this study that entrepreneurship training influences motivation.

# 2. Entrepreneurship Training Influences the Development of Micro, Small and Medium Enterprises (MSMEs)

E-ISSN: 2686-6331, P-ISSN: 2686-6358

One of the goals or indicators of the success of entrepreneurship training is the development of businesses run by small and medium micro business practitioners. From this series of entrepreneurship training the trainees will not only gain business management knowledge but also the participants will also share their experience, business capital and business network development. This has been proven by the results of previous researchers' analysis of the effect of entrepreneurship training on the development of micro, small and medium enterprises (MSMEs).

The results of the analysis of previous studies found the effect of entrepreneurship training on the development of micro, small and medium enterprises both directly and indirectly. This was stated by Kirsten Corinna Lina (2013) with the object of research of small and medium business owners in South Africa. The results found that training had a significant effect on the development of small and medium-sized businesses in South Africa. Research conducted by Magableh Ihab Khaled (2011) found that training has a positive impact on SME performance as measured by earnings, income, and employment growth. Research conducted by Yahya.AZ, Othman.S.Md, Shamsuri.SSLS.Md (2012) with SME research objects in Malaysia. The results of the analysis of this study found that training had a positive impact on SME performance.

From the results of the research above, it can be synthesized that entrepreneurship training has a correlation and influence on the development of micro, small and medium enterprises (MSMEs).

# 3. Motivation Influences Towards Micro and Small and Medium Enterprises

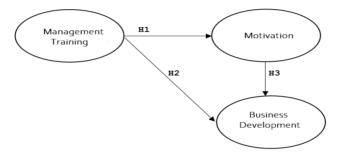
There are a number of factors that can influence the development of micro, small and medium enterprises (MSMEs), one of which is motivation is an impetus for someone to do or main ideas that always have a major effect on human behavior. Motive is sometimes interpreted as the needs, desires, impulses, impulses in a person who are directed to achieve human goals and desires. Based on the results of previous studies, entrepreneurship training can affect the motivation of micro and small businesses in running and developing their businesses.

As the results of research conducted by Antlová Klára (2009) found a relationship of motivational influence on the development of small and medium-sized businesses. Research conducted by Chittithaworn.C, Islam.A.Md, Keawchana.T (2016) found a correlation of motivational influences on the development of small and medium businesses. Research conducted by Purnama.C, and Suyanto (2010) with the object of the study of small shoe entrepreneurs in East Java Province, where the results of their research found a correlation of the influence of motivation on the development of small and medium enterprises (MSMEs) in East Java Province. Furthermore, the results of research conducted by Vivin Oblivia Yunal and Ratih Indriyani (2013) with the object of research are entrepreneurs who are engaged in the pottery industry. The results of the research analysis revealed that the motivational variable is very influential on the growth of micro, small and medium enterprises (MSMEs). Research conducted by Rubio-Andrada, L., Del Mar

Alonso-Almeida, M., & Rodríguez-Antón, JM (2011) produces a research analysis in which motivation is very influential in developing small and medium enterprises.

From the results of several studies above, it can be synthesized that there is a correlation and influence of the motivational variables on the development and success of micro, small and medium enterprises (MSMEs). Motivation is a very important component in developing and encouraging small and medium enterprises (MSMEs) in developing their businesses.

Based on the explanation above about the flow of thought between research variables by referring to the results of previous research and expert opinion, it can be illustrated through the framework of the research model as follows:



**Figure 1.3 Research Model** Source: Processed by researchers (2020)

The following is a table 1.1 variables and research indicators:

**Table 1.1 Research Variables and Indicators** 

INDICATOR	REFERENCE
Entrepreneurship TrainingPelatihan	
a. The benefits of the implementation of training programs	
b.Training materials	Sofyandi(2009), Mustofa Kamil(2010),
c. Training Method	Agus M.Harjana(2001)
d. Instructor attitudes and skills	
e. Amenities	
Motivation	Jayaweera(2015), Gagne(2015), Gerhart (2
a.Motivate from within	015) Kanfer (2017), Locke (2018), Koh (2015)
b.Motivation from the outside	,Wasylyshny(2014),Graves(2018)
Business development	Suporyov
a. MSME Income	Supervey Pendahuluan(2020),Chuthamas.C.Amin
b.Absorbed labor	ul Islam.,Keawchana(2016)
c. Network marketing	ui isiaiii.,NeawCiidiid(2010)

Source: Processed by researchers (2020)

# **Research Hypothesis**

- 1 H1: Entrepreneurship training influences entrepreneurship motivation
- 2. H2: Entrepreneurship training influences business development
- 3. H3: Entrepreneurship motivation influences business development

## RESEARCH METHODOLOGY

This research is a quantitative study using survey methods. The intended survey research is to explain causal relationships or correlations which are commonly referred to as path analysis.

E-ISSN: 2686-6331, P-ISSN: 2686-6358

The affordable population of this research is all of the small and medium micro business operators in East Jakarta Small Industrial Village. The sampling technique used is saturated sample, this technique was chosen based on the consideration that the researcher will use data analysis techniques using Lisrel 8.8 which requires a lot of research samples.

Data analysis tool used in this study is to use SEM (structural equation modeling).

#### RESULT AND DISCUSSION

### Ful model SEM

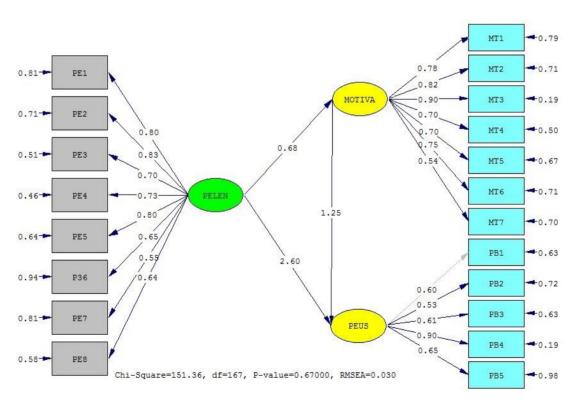


Figure 1.4 Full model SEM Standaridize Solution

Source: Processed by researchers (2019)

# Confirmatory Factor Analisys Test Validity and Reliability of the 1st Order CFA

Table.1.2
Test Validity and Reliability of the 1st Order CFA Measurement Model

E-ISSN: 2686-6331, P-ISSN: 2686-6358

Laten Variabel	Variab el Manife s	Estimation Factor Loading	Critic al Faktor Loadi ng	Decisi on	Critical Value CR 0.70	Critical Value AVE 0.5	Decision
	PE1	0,80	0,5	Valid			
	PE2	0,83	0,5	Valid			Reliable
F	PE3	0,70	0,5	Valid	0,78 0.52		
Entrepreneur ship Training	PE4	0,73	0,5	Valid		0.52	
(PELEN)	PE5	0,80	0,5	Valid		0.32	
(I LLLIV)	PE6	0,65	0,5	valid			
	PE7	0,55	0,5	Valid			
	PE8	0,64	0,5	Valid			
	MT1	0.50	0.5	Valid			
	MT2	0.54	0.5	Valid			
Marination	MT3	0.90	0.5	Valid			
Motivation (MOTIVA)	MT4	0.70	0.5	Valid	0,74	0.52	Reliable
(MOTIVA)	MT5	0.58	0.5	Valid			
	MT6	0.54	0.5	Valid			
	MT7	0.54	0.5	Valid			

Source: Processed by researchers (2019)

Based on table 1.2. then we can conclude that all entrepreneurship training observer variables have a coefficient value> 0.05, thus all observer variables that make up the entrepreneurship training latent variable are declared valid. Likewise for testing reliability on the latent variables of entrepreneurship training having Construct Reliability (CR) values> 0.70 and Average Variance Error (AVE)> 0.05, then the observer variables that make up the entrepreneurship training variable are declared reliable.

Furthermore, the latent variable of motivation built by 7 observer variables has a loading factor value> 0.5, thus the seven variables that make up the latent variable of motivation are declared valid. The results of the latent variable reliability test of motivation built by seven observer variables were declared reliable because the motivational variable had a Construct Reliability (CR) value> 0.70 and an Average Variance Error (AVE) value> 0.0

Table.1.2 Test Validity and Reliability of the 1st Order CFA Measurement Model

Laten Variabe l	Variabel Manifes	Estimation Factor Loading	Critical Faktor Loading	Decision	Critical Value CR 0.70	Critical Value AVE 0.5	Deci sion
Business	PB1	0,78	0,5	Valid	0.78	00.75	Relia
Develop	PB2	0,83	0,5	Valid	0,78	00.75	ble

Page 672

ment	PB3	0,70	0,5	Valid
(PEUS)	PB4	0,73	0,5	Valid
-	PB5	0,80	0,5	Valid

Source: Processed by researchers (2019)

Based on table 1.3, it can be concluded that all observer variables that make up the business development variable are valid because they have a loading factor> 0.5 as well as the results of the reliability test for the latent variable of business development which are declared reliable because they have a Construct Reliability (CR) value> 0.70 and an Average Variance Error value (CR) AVE)> 0.05.

Following are the fit model indicators described in table 1.4 below:

Table 1.4 Indikator Fit Model

	Table 1.4 Illulkator Fu Model
Item	Statement
	ENTERPRENEURSHIP TRAINING (PELEN)
PE1	The training that I attended was relevant to my area of business
PE2	he methods that I have followed have been in accordance with the entrepreneurial subjects required
PE3	The training methods I have followed are in accordance with the learning styles of the trainees
PE4	The attitude of the instructors can arouse my interest in learning
PE5	The instructors' expertise can encourage my learning interest
PE6	The training time does not take long
PE7	The material delivered by the instructor is easy to understand
PE8	Training support facilities are relevant to the type of training
MOTIVA	TION
MT1	I enjoy the business that I run
MT2	In my opinion, having your own business is fun.
MT3	I feel the business that I run is very interesting
MT4	I like to learn new things that support my business
MT5	The income I get is enough to finance my lifestyle.
MT6	The business that I run is able to help make ends meet
MT7	Running this business gives me flexibility in my work time
BUSINES	S DEVELOPMENT
PB1	The income of the business that I run continues to increase
PB2	The profits that I book from my business are very encouraging
PB3	I continue to recruit workers to meet the needs of my company
PB4	I already have many customers
PB5	In the last 3 months I have opened several new branches to make it easier for my customers

## **Model Fit Test /Goodness Of Fit(GOF)**

After the validity and reliability tests are fulfilled, the next analysis is the model fitness test or Goodness of Fit. In the Goodnes of Fit test the researchers tested 16 model suitability indicators including statistical tests  $\chi^2$ , p-Value, NCP, RMSEA, ECVI, AIC Model, CAIC Model, NFI, NFI, CFI, IFI, RFI, Std RMR, GFI, AGFI, PGFI . This test is to determine whether the research model is fit, whether the sample covariance matrix is not

much different from the estimated covariance matrix. The following are the results of the nine Goodness Of Fit indicators:

Tabel 1.5
THE SUMMARY 16 INDIKATOR GOODNESS OF FIT INDEX (GOFI)

GOFI INDICATORS	STANDARD VALUE FOR GOODNESS OF FIT	CALCULATE RESULTS	CONCLUSION
Statistik χ²	$0 \le \chi^2 \le 2df \text{ atau } 2df < \chi^2 \le 3df$	$df = 136, \ \chi^2 = 151.36$	Fit
p-Value	$0.05 \le p \le 1.00$	0.67	Fit
NCP	Harus lebih kecil	1343.6	Fit
RMSEA	$\leq 0.08$	0.030	Fit
ECVI	Harus lebih kecil dari Saturated ECVI(1.67)	1.56	Fit
Model AIC	Harus lebih kecil dari Saturated AIC(420)	320.88	Fit
Model CAIC	Harus lebih kecil dari Saturated CAIC(1372.01)	1225.20	Fit
NFI	NFI > 0.90	0.95	Fit
NNFI	0.80 < TLI<0.90	0.92	Fit
CFI	CFI > 0.97	0.98	Fit
IFI	IFI > 0.90	0.93	Fit
RFI	$RFI \ge 0.90$	0.91	Fit
Std RMR	$SRMR \le 0.05$	0.59	Fit
GFI	GFI ≥ 0.90	0.91	Fit
AGFI	$AGFI \ge 0.89$	0.93	Fit
PGFI	PGFI > 0.5	0.53	Fit

Source: Processed by researchers (2019)

From a series of Goodness of Fit tests as shown in table 1.5 above, we obtain the fact that the estimated results of goodness of fit are generally categorized as fit. Then it can be concluded that the model is fit, which means the sample covariance matrix is not much different from the estimated covariance matrix.

## **Testing the Significance of**

Direct Causal Effects The effect / direct effect is a measure of influence that is not mediated by other variables in a model or the sensitivity of X's changes to Y, where all the other factors in the analysis are made fixed. While the indirect causal effect of indirect effect (ICE) is a measure of expected change, where the dependent variable changes through mediator variables, if the independent variable is made fixed and the total effect (TCE) is the sum of direct effects and indirect effects, (Edi Riadi, 18: 2018). While the significance is the magnitude of the influence of exogenous variables on endogenous where any influence that occurs on exogenous variables will significantly influence the endogenous variables.

To test the significance of the coefficient of influence between latent variables, we must consult the Z value of the two tailed test table at  $\propto = 0.05$ , the probability values obtained are Z -1- ( $\propto$  / 2) = 1- (0.05 / 2) = 0.975. From the Z table, a value of 0.975 is obtained by a Z score of 1.96. A Z score of 1.96 was set as a critical value for significant testing (Edi Riadi, 452: 2018). The results of the analysis of direct, indirect, total direct effect and significance are based on the results of the printed SEM lisrel on the sub structural equation model, Total and Indirect Effects, Total Effects of KSI on Y and the full path diagram of the SEM model.

## 1) Direct Causal Effect (DCE)

Direct effect / direct causal effect (DCE) a measure of influence that is not mediated by other variables in a model or sensitivity to changes in Y of variable X. Where all the other factors in the analysis are fixed. The following table 1.6 results of the analysis of direct influence and significance of the path.

Table.1.6 Te	st the Significan	ce of Direct Effects
--------------	-------------------	----------------------

Path	DCE	T- hitung	T- kritis	Decision
PELEN → MOTIVA	0.68	6.50	1.96	Sigifikan
PELEN → PEUS	0.27	4.42	1.96	Sigifikan
MOTIVA→ PEUS	1.25	6.60	1.96	Signifikan

Source: Processed by researchers (2019)

Based on table 1.6 above, the test value of the significance of the direct effect between training and motivation and training on business development has a significant effect. Where the test results give the fact that the T-Value> 1.96.

### 2) The indirect effect or indirect causal effect

The indirect effect or indirect causal effect (ICE) is a measure of the expected change when the dependent variable changes through mediator variables on the basis of changes that occur in the independent variable. The magnitude of a change in the dependent variable or Y variable depends on the magnitude of the changes that occur in the mediator variable after the X variable itself changes in itself.

**Table.1.7 Test the Significance of Indirect Effects** 

Path	ICE	T-hitung	T-kritis	Decision
$PELEN \rightarrow PEUS$	0.86	7.29	1.96	Sigifikan
PELEN → MT1	7.29	6.50	1.96	Sigifikan
PELEN → MT2	0.24	10.28	1.96	Sigifikan
PELEN → MT3	0.44	10.28	1.96	Sigifikan
PELEN → MT4	0.35	8.91	1.96	Sigifikan
PELEN → MT5	0.27	7.79	1.96	Sigifikan

PELEN → MT6	0.24	7.41	1.96	Sigifikan
PELEN → MT7	0.28	7.47	1.96	Sigifikan
PELEN → PB1	0.24	7.10	1.96	Sigifikan
PELEN → PB2	0.21	6.57	1.96	Sigifikan
PELEN → PB3	0.25	7.13	1.96	Sigifikan
PELEN → PB4	0.37	8.47	1.96	Sigifikan
PELEN → PB5	0.07	7.79	1.96	Sigifikan
MOTIVA → PB1	0.52	6.60	1.96	Sigifikan
MOTIVA → PB2	0.45	6.16	1.96	Sigifikan
MOTIVA → PB3	0.53	6.62	1.96	Sigifikan
MOTIVA → PB4	0.79	7.66	1.96	Sigifikan
MOTIVA → PB5	0.16	2.39	1.96	Sigifikan

Source: Processed by researchers (2019)

Based on the results of the above analysis, it is obtained that the estimation results of the indirect effect between the entrepreneurship training latent variable on the observe variable from the business development latent variable, and the motivational latent variable on the observer variable from business development all have a significance value> 1.96. So thus it can be stated that the indirect effect relationship between the latent variable and the observer variable can be stated significant.

# **Hypothesis Test**

Hypothesis testing will be analyzed based on table 1.6 and the T-Value model of the SEM Lisrel printout results which can be seen in Figure 1.5. As discussed in the previous sub-chapter the hypotheses built in this study are 3 hypotheses. In this section, the researcher will examine these three hypotheses whether the results of the analysis are the same as the hypotheses that the researchers built in this study. The hypotheses built are as follows:

- 1. H1: Entrepreneurship training influences entrepreneurship motivation
- 2. H2: Entrepreneurship training influences business developmentEntrepreneurship
- 3. H3:motivation influences business development.

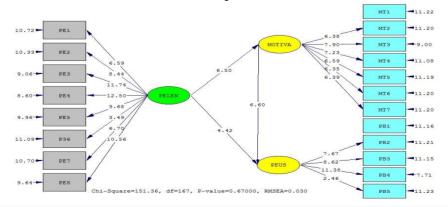


Figure 1.5. Full SEM T-Value model

Source: Processed by researchers (2019)

## 1. First Hypothesis

# Entrepreneurship training influences entrepreneurship motivation

Based on the table. 1.6, picture 1.4. Full SEM Standardized Solution model and Figure 1.5 Full SEM T-Value model above the coefficient value of the direct effect of entrepreneurship training on entrepreneurship motivation 0.68 with a T-value of 6.50. With this fact, it can be interpreted that the entrepreneurship training variable significantly influences entrepreneurship motivation variables. Thus the hypothesis that entrepreneurship training influences motivation can be accepted.

E-ISSN: 2686-6331, P-ISSN: 2686-6358

## 2. Second Hypothesis

## Entrepreneurship training influences business development

Based on the table. 1.6, picture 1.4. full SEM Standardized Solution model and figure 1.5 Full SEM T-Value model above the coefficient value of the direct influence of entrepreneurship training on business development of 0.27 with a T-value of 4.42. With the facts of this analysis, it can be interpreted that the entrepreneurship training variable significantly influences the business development variable. Thus the hypothesis which states that entrepreneurship training influences business development can be accepted.

## 3. Third Hypothesis

# Entrepreneurship motivation affects business development

Based on the table. 1.6, picture 1.4. full model SEM Standardized Solution and figure 1.5 Full model SEM T-Value above the coefficient value of the direct influence of entrepreneurship motivation on business development of 1.25 with a T-value of 6.60. With this fact, it can be interpreted that entrepreneurship motivation variable has a significant effect on business development variables. Thus the hypothesis that entrepreneurship training influences motivation can be accepted.

### **DISCUSSION**

# 1.Positive and significant influence Entrepreneurship training influences entrepreneurship motivation

Based on the results of the analysis of significance and hypothesis, this study can prove that entrepreneurship training significantly influences the motivation of micro and small business entrepreneurs (MSMEs). Training is one of the drivers of small and medium businesses can develop. The training will guide small and medium micro business practitioners how to develop their business, how to formulate a plan, how to finance finances and how to expand their market networks. Judging from the results of the two analyzes above, if the training is carried out in a sustainable and professional manner, it will be an encouragement and as a guide for small and medium businesses in running their business.

The success or failure of a training program depends on the participants' perceptions of the supporting factors of the training variables such as time utilization, implementation of the training program, training materials, training methods, attitudes and skills of instructors / trainers, and training facilities. Every change from the training will have a significant impact on the motivation variable. The impact of the training that is carried out programmatically, and planned is that the small and medium business

(MSME) entrepreneurs who take part in entrepreneurship training will increasingly enjoy or enjoy the businesses they run. They will be more proud of the business that is being run by them. When the business they are running starts to develop, and can sustain their daily needs, they will be more enthusiastic and active in running the business. Entrepreneurship training is so important for growth and shape the souls of entrepreneurship which will absorb more local workforce, this can be seen from the analysis of the significance of the effect of entrepreneurship training on the variables that build motivation.

The results of this study are in line with the opinions of experts and the results of research that have been carried out by previous studies such as; Widodo (2015), Soeprihanto (2001), Rivai and Sagala (2011), Vera Firdaus.V & Hasanah.H (2019), Kurniawan.HR (2019), Maulani.TS, Dialysa.F, Prawirasasra.KP (2016), Harini Sri (2014), Rini Hidayati, Muslikh, and Nazwirman (2018)

# 2 Positive and significant influence of entrepreneurship training on business development

The results of the significance analysis and hypothesis testing prove that entrepreneurship training significantly influences business development. Business carried out by micro and small business actors will develop if every behavior has knowledge about entrepreneurship. The SMEs will easily build market networks, package products properly, manage the company's finances carefully and thoroughly and can create the expected benefits if micro and small businesses have entrepreneurial skills and knowledge. As the results of the previous pre-survey said that 3 factors can help micro and small and medium enterprises (MSMEs) in developing their businesses, namely training, motivation and capital. According to the micro, small and medium enterprises (MSMEs) the most important in running their businesses, there is training or business coaching as well as the motivation of the new MSME entrepreneurs, an important factor in the subsequent development of venture capital. So it is clear that without these two factors, small and medium business actors cannot develop their businesses even though business capital already exists.

The results of the opinion of the small and medium business actors are strengthened by the results of this research analysis which obtained the fact that entrepreneurship training has a positive and significant effect on the development of micro small and medium enterprises (MSMEs). The impact of entrepreneurship training on the development of micro small and medium enterprises that can be seen from the increase in turnover of the businesses they run, the profits from the results of their businesses are very promising, with the development of micro and small businesses can absorb the workforce both locally and nationally, the customer network broader and wider business networks are created.

The results of this study confirm the opinions of experts and previous researchers such as Kristiansen, Furuholt, & Wahid, (2003) and Rutherford & Oswald, (2000), Swierczek & Ha, (2003), Wiklund (1998), William, James, & Susan (2005), Huggins, (2000) and Nurul Indarti & Marja Langenberg (2005), Peter Bangs (2002),

Kirsten Corinna Lina (2013), Magableh Ihab Khaled (2011), and Yahya.AZ, Othman.S.Md, Shamsuri.SSLS.Md (2012)

## 3. Entrepreneurship motivation influences business development

The results of the analysis of significance and hypothesis testing produce an empirical fact that entrepreneurship motivation can affect the development of micro, small and medium enterprises (MSMEs). This implies that micro and small businesses can expand their businesses when micro and small businesses (MSMEs) get the urge to do the desired work according to the inspiration desired by the individual. The small and medium enterprises (MSMEs), which have motivations such as getting energy to do work so that the small and medium businesses (MSMEs) get the results of their work.

Motivated micro and small businesses can go beyond challenges and try new standards and new ideas found in running their businesses. With the motivation of individuals small and medium businesses have a passion to make themselves superior, dare to take risks in competing to surpass others. In a motivated micro, small and medium enterprises (MSMEs) there is a desire to surpass others in running their business so as to increase self-esteem by training the success of the talents of the individuals of small and medium businesses. This motivation will come from within him or will be inspired by his environment, relatives or entrepreneurship instructors so that it will have an impact on the high performance of micro and small business entrepreneurs.

The impact of high performance owned by small and medium micro business actors will lead to an increase in turnover, get the expected profit from the business and will be more aggressive in opening up market share networks for business growth.

### **CONCLUSIONS AND SUGGESTIONS**

#### Conclusion

The results of this study reinforce the theory that:

- 1. There is a positive and significant effect of entrepreneurship training on motivation where these results are confirmed by the theory and results of previous studies.
- 2 There is a significant influence of entrepreneurship training on the business development of micro small and medium enterprises
- 3. There is a significant influence of entrepreneurship motivation on the business development of micro and small business entrepreneurs

### **Suggestion**

- 1. To get a comparison and strengthen the theory of influence among the variables studied, it is necessary to do a study or review using different or in the same industry with different locations as in other areas in Jakarta.
- 2. Future studies can use a wider and wider number of samples, and add references and more recent research reviews so that research results are accurate.

### volume 1, Issue 5, June 2020

#### REFERENCES

- Coulter, M. (2001). Entrepreneurship in Action, Small Business. 2000.
- Kuratko, D. F., & Hodgetts, R. M. (2004). Entrepreneurship: Theory, Process. Practice, 6
- Zimmerer, T. W., Scarborough, N. M., & Wilson, D. (2008). Kewirausahaan dan manajemen usaha kecil. Jakarta: Salemba Empat, 85.

E-ISSN: 2686-6331, P-ISSN: 2686-6358

- Kasmir. (2011) Kewirausahaan. Jakarta: PT Raja Grafindo Persada.( Kasmir, Kewirausahaan, (Jakarta: Rajawali Press, 2011), 19)
- Muhammad Syahrial Yusuf. 2013. Meraih Keajaiban Rezeki dengan Wirausaha Metode Terbaru untuk Mengasah Spiritual Entrepreneur Quotient (SEQ) Anda. Jakarta: Erlangga/;; Muhammad Syahrial Yusuf, Meraih Keajaiban Rezeki Dengan Wirausaha, (Jakarta: Erlangga, 2013),51-52
- Thomas W Zimmerer, Norman M. Scarborough, Entrepreneurship and The New Venture Formation (New Jersey: Prentice Hall International Inc, 1993), 6-7.
- Widodo, S. E. (2015). Manajemen Pengembangan Sumber Daya Manusia.
- Soeprihanto, J. (2001). Penilaian Kinerja dan PengembanganKaryawan. Yogyakarta: Universitas Gajah Mada.
- Rivai, Veithzal. H dan Sagala, Jauvani, E. (2011) Manajemen sumber daya manusia untuk perusahaan, Edisi Kedua. Jakarta: Rajawali Pers.
- Koh, C. (2015). Motivation, leadership and curriculum design. Singapore: Springer
- Kanfer, R., Frese, M., & Johnson, R. E. (2017). Motivation related to work: A century of progress. Journal of Applied Psychology, 102(3), 338.
- Graves, L. M., & Sarkis, J. (2018). The role of employees' leadership perceptions, values, and motivation in employees' pro environmental behaviors. Journal of Cleaner Production, 196, 576-587.
- Kinicki, Angelo and Robert Kreitner. (2008). Organizational Behaviour; Key Concepts, Skills & Best Practices. New York: McGraw-Hill.
- Kristiansen, S., Furuholt, B., & Wahid, F. (2003). Internet cafe entrepreneurs: pioneers in information dissemination in Indonesia. The International Journal of Entrepreneurship and Innovation, 4(4), 251-263.
- Rutherford, M. W., & Oswald, S. L. (2000). Antecedents of small business performance. New England Journal of Entrepreneurship, 3(2), 21.
- Swierczek, F. W., & Thai, T. H. (2003). Motivation, entrepreneurship and the performance of SMEs in Vietnam. Journal of Enterprising Culture, 11(01), 47-68.
- Hitt, M. A., Ireland, R. D., Camp, S. M., & Sexton, D. L. (2002). Strategic entrepreneurship: Integrating entrepreneurial and strategic management perspectives. Strategic entrepreneurship: Creating a new mindset, 1, 16.

- E-ISSN: 2686-6331, P-ISSN: 2686-6358
- Wiklund, J. (1998). Small firm growth and performance: Entrepreneurship and beyond (Doctoral dissertation, Internationella Handelshögskolan).
- Ireland, R. D., Hitt, M. A., & Sirmon, D. G. (2003). A model of strategic entrepreneurship: The construct and its dimensions. Journal of management, 29(6), 963-989.
- Stevenson, H. H., & Jarillo, J. C. (2007). A paradigm of entrepreneurship: Entrepreneurial management. In Entrepreneurship (pp. 155-170). Springer, Berlin, Heidelberg.
- Chittithaworn, C., Islam, M. A., Keawchana, T., & Yusuf, D. H. M. (2011). Factors affecting business success of small & medium enterprises (SMEs) in Thailand. Asian Social Science, 7(5), 180-190.
- Firdaus, V., & Hasanah, H. (2018). Pengaruh Pelatihan dan Pendidikan Kewirausahaan Terhadap Motivasi Berwirausaha pada Penyandang Disabilitas Di Kabupaten Jember. Fenomena, 17(2).
- Kurniawan, R. H. (2020). DAMPAK PENDIDIKAN FORMAL DAN WORKSHOP TERHADAP KOMPETENSI KEWIRAUSAHAAN MELALUI MOTIVASI PADA KEWIRAUSAHAAN MAHASISWA. Management & Accounting Research Journal, 4(1).
- Tanusi, G., & Laga, Y. (2020). Pengaruh pelatihan, motivasi dan modal usaha terhadap minat berwirausaha di uptd llk ukm kabupaten ende. KINERJA, 17(1), 157-163.
- Maulani, T. S., Dialysa, F., & Prawirasasra, K. P. (2016). Pelatihan Pembukuan keuangan sederhana dan motivasi kewirausahaan pada kelompok usaha makanan RW 02 Kelurahan Neglasari Kecamatan Cibeunying Kaler Bandung.28. Raden Rudi Alhempi, Wismar Harianto
- Alhempi, R. R., & Harianto, W. (2013). Pengaruh Pelatihan dan Pembinaan Terhadap Pengembangan Usaha Kecil Pada Program Kemitraan Bina Lingkungan. Faculty of Business and Economics, Trisakti University.
- Njoroge, C. W., & Gathungu, J. M. (2013). The effect of entrepreneurial education and training on development of small and medium size enterprises in Githunguri District-Kenya. International Journal of Education and research, 1(8), 1-22.
- Kirsten, C. L. (2013). The impact of training courses on financial management skills of South African small-business owners. International Business & Economics Research Journal (IBER), 12(7), 825-834.
- Magableh, I. K., Kharabsheh, R., & Al-Zubi, K. A. (2011). Determinants and impact of training: the case of SMEs in Jordan. International Journal of Economics and Finance, 3(5), 104-116.
- Antlová, K. (2009). Motivation and barriers of ICT adaptation in small and medium-size enterprises.

- E-ISSN: 2686-6331, P-ISSN: 2686-6358
- Chittithaworn, C., Islam, M. A., Keawchana, T., & Yusuf, D. H. M. (2011). Factors affecting business success of small & medium enterprises (SMEs) in Thailand. Asian Social Science, 7(5), 180-190.
- Purnama, C. (2010). Motivasi dan kemampuan usaha dalam meningkatkan keberhasilan usaha industri kecil (Studi pada industri kecil sepatu di Jawa Timur). Jurnal Manajemen dan Kewirausahaan, 12(2), 177-184.
- Yunal, Vivin Oblivia. "Analisis pengaruh motivasi berwirausaha dan inovasi produk terhadap pertumbuhan usaha kerajinan gerabah di Lombok Barat." Agora 1.1 (2013): 337-347.
- Rubio-Andrada, L., Del Mar Alonso-Almeida, M., & Rodríguez-Antón, J. M. (2011). Motivations and impacts in the firm and stakeholders of quality certification: Evidence from small-and medium-sized service enterprises. Total Quality Management & Business Excellence, 22(8), 833-852.
- Yahya, A. Z., Othman, M. S., & Shamsuri, A. L. S. (2012). The impact of training on small and medium enterprises (SMEs) performance. Journal of Professional Management, 2(1), 15-25.