



THE IMPACT OF ENTREPRENEURSHIP EDUCATION IN HIGHER EDUCATION ON THE GROWTH OF STARTUP COMPANIES

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Abstract

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Along with the development of Information and Communication Technology, it makes it easy in all fields, including the growth of start-ups. However, many of the start-ups have difficulty developing due to various constraints such as funds, resources and market access. Entrepreneurship Education in tertiary institutions is seen as one of the solutions to this problem. The purpose of this study was to evaluate the impact of entrepreneurship education in tertiary institutions on the growth of start-up companies. This study used a quantitative method with a sample of 50 start-up companies founded by university alumni who had participated in an entrepreneurship education program. The results of the study show that entrepreneurship education in tertiary institutions has a positive and significant impact on the growth of startup companies by 75.0%. This finding implies that universities can play an important role in developing entrepreneurship and economic growth.

Keywords: Entrepreneurship Education; University; Startup Growth

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INTRODUCTION

Startup funding and sustainability is a critical issues faced by entrepreneurs. The growth of startup companies can expand employment, increase productivity, and encourage innovation (Schick et al., 2002). However, the growth of startup companies is often hampered by limited funds, human resources, and market access. Therefore, efforts are needed to overcome these challenges and accelerate the growth of startup companies. One solution to accelerate startup companies' growth is to improve entrepreneurship education (Adhella, 2021). Entrepreneurship education in tertiary institutions can help students build entrepreneurial skills and provide the skills needed to become successful entrepreneurs. Entrepreneurship education can also help promote an entrepreneurial culture among university students and alums (Hasan, 2020).

Entrepreneurship education is increasingly recognized as essential in helping entrepreneurs start and grow their businesses (Bharata, 2019). Universities are often institutions that provide entrepreneurship education programs for students who are interested in becoming entrepreneurs (Putri, 2018). However, there still needs to be a clear consensus on the impact of entrepreneurship education in universities on the growth of startups (Bann, 2009). By understanding the impact of entrepreneurship education, universities can develop more effective programs to help students develop the skills and knowledge needed to start and manage startups (Paco et al., 2019) by following an entrepreneurship education program in college. This research focuses on entrepreneurs who run startups, which are a type of company that has excellent growth potential. The

growth of startup companies can significantly contribute to the economy, especially by creating jobs and encouraging innovation (Marlinah, 2019). In the Indonesian context, the development of startups has become a significant focus for the government and some stakeholders. In the 2020-2024 National Medium-Term Development Plan, the government targets to increase the number of startup companies growing to 7.5 million by 2024. Therefore, this research can provide important insights into the development of startup companies in Indonesia (Fachriansyah & Wulandari, 2022). However, there still needs to be more research on the impact of entrepreneurship education in tertiary institutions on the growth of startups. Therefore, this study aims to evaluate entrepreneurship education's impact on startup companies' growth in tertiary institutions. The results of this research can provide insight into the development of more effective entrepreneurship education programs and help the growth of startups in Indonesia.

LITERATURE REVIEW

Entrepreneurship education in tertiary institutions has become a focus of attention for many countries worldwide, significantly enhancing students' ability to start and manage businesses. Many previous studies have discussed the impact of entrepreneurship education in tertiary institutions, but the results have not been consistent. Entrepreneurship education in tertiary institutions has been recognized as promoting entrepreneurship and economic growth (Purnomo et al., 2020).

Several studies have shown that entrepreneurship education positively impacts students' ability to start and manage businesses, as well as the growth of startups. According to Lekoko et al. (2012), entrepreneurship education in tertiary institutions can help students build entrepreneurial skills and provide the skills needed to become successful entrepreneurs. This is in line with research by Fayolle & Gibbs (2015), which concluded that entrepreneurship education in tertiary institutions could help students develop the skills and knowledge needed to start a business. Entrepreneurship education can also help students develop the attitudes and values needed to become successful entrepreneurs.

In addition, several studies have shown that entrepreneurship education in tertiary institutions can positively impact the growth of startup companies. For example, research by Dakung et al. (2011) shows that entrepreneurship education in tertiary institutions can help improve relationships and connections in developing products and services. In addition, research conducted by Badri & Hachicha (2019) shows that entrepreneurship education in tertiary institutions can help improve the performance of startups. However, there are also several studies showing different results. For example, research by Johansen & Clausen (2011) shows that entrepreneurship education in tertiary institutions is relatively low in the growth of startup companies. From the literature review, entrepreneurship education in tertiary institutions has the potential to impact startup companies' growth positively. However, further research is needed to strengthen the results of previous studies.

METHODS

This research used a quantitative approach, and the tool employed to collect data was a questionnaire. All the participants in this study were alums of various universities who had established new businesses in Jakarta, Bogor, Depok, Tangerang, and Bekasi. The research sample consisted of fifty newly established businesses, all of which were

established by graduates of educational institutions that had taken part in an entrepreneurship training program. Questions on startup firm profiles, entrepreneur profiles, and the influence of entrepreneurship education received in tertiary institutions on the expansion of startup companies are included in the questionnaire utilized for this research. The variance of the regression line, the F test, and the coefficient of determination are the methods of analysis used for the data. The researcher relied on the assistance of the program SPSS 26.0 for Windows to simplify the processes of data calculation and analysis.

RESULTS & DISCUSSION

Result

The results of simple linear regression analysis calculations using the SPSS 22.0 for windows program are as follows:

Table 1.
 Simple Linear Regression Analysis Test Results

Model	Unstandardized Coefficient b	Standardized Coefficient Betas	t	Sig.
1. Constant	28.332		7.292	.000
Entrepreneurship Education	.673	.867	13.944	.001

Resource: Researcher (2022)

Based on the data above, the simple regression equation obtained in this study is as follows:

$$Y = 28.332 + 0.673X$$

It can be interpreted that the + sign states the direction of the relationship in the same direction, where an increase or decrease in the independent variable (X) will increase/decrease in the dependent variable (Y).

The calculation results for the analysis of the variance of the regression line are as follows:

Table 2.
 Interpretation of the Summary Model

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.856	.750	.745	2.93

Resource: Researcher (2022)

Based on the results of the data obtained, as shown in the table above, it is known that the value of the correlation coefficient is 0.856. The correlation coefficient of 0.856 indicates that the relationship between the variable (X) entrepreneurship education and the variable (Y) growth results of startups is categorized as having a strong relationship. The R Square results, as shown in table 2, are 0.750 or 75.0%, indicating that entrepreneurship education's percentage influence on startup growth in tertiary institutions is 75.0%. The remaining 25.0% is caused by other factors not discussed in this study.

As for the calculation of the F test, it is known that the value of Fcount is as follows:

Table 3.
 F Test Results

	Mode	Sum of Squares	Df	MeanSquare	F	Sig.
1	Regression	1091,996	1	1091,876	194,390	.000
	residual	269,888	48	5,625		
	Total	1362,882	49			

Resource: Researcher (2022)

The results of the f test also show that there is a significant influence between the Entrepreneurial Leadership variable on Star Ups growth where $0.000 < 0.05$.

Discussion

The study results show that entrepreneurship education in tertiary institutions positively impacts the growth of startups, with a strong influence of 75% (Pihie & Bagheri, 2011). Entrepreneurship education in tertiary institutions has a significant positive effect on entrepreneur readiness. This suggests that entrepreneurship education in tertiary institutions can help develop the skills and knowledge needed to start and manage startups (Teseema, 2012). Entrepreneurial skills acquired through higher education cover various business development and growth aspects. Some of the essential skills taught through entrepreneurship education are:

- a) **Generating and Developing Business Ideas:** One of the essential aspects of entrepreneurial skills is the ability to create innovative and compelling business ideas. Through entrepreneurship education, students can develop business ideas based on market needs, available resources, and personal expertise (Mulyani, 2011). Students will also learn how to evaluate the potential success of their business idea and develop it into a concept that can be presented to investors or potential clients.
- b) **Create a Comprehensive Business Plan:** Apart from creating business ideas, students must also learn how to write a complete and detailed business plan. A good business plan must cover various aspects such as the product or service offered, target market, marketing strategy, organizational structure, and financial budget. Students will learn how to develop an effective business plan that can be used to present their business concept to investors or potential clients (Wirapraja et al., 2021).
- c) **Financial and Operational Management:** Financial and operational management skills are also fundamental in entrepreneurship. Students will learn how to manage company finances and monitor overall business performance. They will also learn how to manage company operations, including human resource management and logistics (Fauzi, 2020).
- d) **Marketing and Branding:** Marketing and branding skills are essential to promote a startup business. Students will learn how to create an effective marketing plan and a strong and attractive brand. They will also learn how to use social media and other digital platforms to promote their business (Aliami et al., 2018).
- e) **Creativity and Innovation:** Creativity and innovation are essential skills in entrepreneurship. Students will learn to think creatively and find innovative solutions to their businesses' problems. They will also be taught how to adapt to market changes and update their products or services to remain relevant and attractive (Hadiyati, 2011).

Entrepreneurs or college alums can start and develop successful startup businesses through the entrepreneurial skills acquired through higher education. These skills can help them create innovative business ideas, develop comprehensive business plans, manage company finances and operations, promote their brand, and adapt to market changes.

The results of the study also show that entrepreneurship education in tertiary institutions has a positive impact on the performance of startups. This shows that entrepreneurs who have attended entrepreneurship education programs are more successful in developing and managing their startups because they get relationships, connections, and references from college alums. Entrepreneurship education in tertiary institutions can open doors for students to interact with entrepreneurs, investors, mentors, and business experts. This provides an opportunity to build networks and connections that can be useful for the growth of startup businesses in the future. Students can also learn from the practical experience of successful entrepreneurs and gain different perspectives on creating and developing businesses (Krisna, 2020).

Some colleges provide access to business incubation centers or startup accelerators that help students start and grow their businesses. Business incubation centers usually provide access to needed resources and infrastructure, such as office facilities, banking services, and connections to investors. While startup accelerators usually provide business acceleration programs designed to help startups grow faster. With access to business incubation centers and startup accelerators, students can get the support and resources they need to start and grow their startup businesses. In addition, students can also meet with entrepreneurs and investors who can help them obtain the necessary capital and support for the growth of their startup business. In this case, entrepreneurship education in tertiary institutions can help develop networks and connections that are useful for the growth of startup businesses. This can help students gain the support and resources they need to start and grow their startup business and provide access to practical experience and different perspectives from successful entrepreneurs. With this network and connection, startup businesses can grow faster and be successful in the market.

CONCLUSION

Based on the research results, entrepreneurship education in tertiary institutions positively impacts the growth of startup companies. Entrepreneurs who have attended entrepreneurship education programs tend to be better prepared to face challenges and difficulties in running their businesses. In addition, entrepreneurship education also opens doors for students to interact with entrepreneurs, investors, mentors, and business experts. This provides an opportunity to build networks and connections that can be useful for the growth of startup businesses in the future. Therefore, universities must pay attention to the importance of entrepreneurship education in preparing students to become successful entrepreneurs. Further research is also needed to strengthen this research's results and identify other factors that can affect the growth of startups.

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