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A Study on the Impact of Local Entrepreneurship Education on the Entrepreneurial Motivation, Entrepreneurial Competencies, and Entrepreneurial Spirit of Education Participants

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[Abstract]

This study is an empirical research aimed at examining the impact of practical, field-oriented local entrepreneurship education for college students and prospective entrepreneurs in the Busan area on their entrepreneurial motivation, entrepreneurial competencies, and entrepreneurial spirit. The study is conducted to enhance the activation of youth entrepreneurship education in the Busan area and to tailor entrepreneurship competency development for prospective local young entrepreneurs. In this study, the factors of entrepreneurial motivation were divided into economic motivation and self-realization motivation, while entrepreneurial competencies were categorized into practical competencies for local entrepreneurship, local brand development competencies, and financial analysis competencies. To conduct the empirical analysis, a survey was administered to 139 participants who took part in entrepreneurship education from March to October 2023. The research findings indicate that local entrepreneurship education significantly influences participants' entrepreneurial motivation, entrepreneurial competencies, and entrepreneurial spirit. Furthermore, it was observed that entrepreneurial spirit also has a significant impact on entrepreneurial motivation and competencies. These results suggest the practical importance of tailoring entrepreneurship education to the specific characteristics of local prospective entrepreneurs.

▸ **Key words**: Entrepreneurship Education, Entrepreneurial Motivation, Entrepreneurial Competency, Entrepreneurial spirit, Structural equation model

[요 약]

본 연구는 부산지역 청년 창업교육의 활성화와 예비 청년 로컬창업자의 맞춤형 창업역량개발을 위해 부산지역 대학생과 예비창업자들을 대상으로 한 현장 실무중심 로컬창업교육이 교육참여자들의 창업동기와 창업역량, 기업가정신에 어떤 영향을 미치는지 살펴보고자 하는 실증연구이다. 본 연구에서는 창업동기의 구성요인을 경제적동기와 자아실현동기로 구분하였으며 창업역량은 로컬창업에 필요한 실무역량, 로컬 브랜드개발역량, 재무분석역량으로 구분하였다. 실증분석을 위해 2023년 3월~10월까지 창업교육 참여한 139명으로부터 설문을 받아 실증분석을 진행하였다. 연구결과 로컬창업교육은 교육참여자들의 창업동기, 창업역량, 기업가정신에 유의한 영향을 미치는 것으로 분석되었으며, 기업가정신 또한 창업동기와 창업역량에 유의한 영향을 미치는 것으로 나타났다. 연구결과를 통해 지역 예비창업자들을 위한 지역 특성에 맞는 창업교육이 필요하다는 실무적 시사점을 제시하였다.

▸ **주제어**: 창업교육, 창업동기, 창업역량, 기업가정신, 구조방정식모델

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I. Introduction

In recent years, amid the global economic crisis caused by the COVID-19 pandemic, rising interest rates, and inflation, the number of new hires by domestic companies has been gradually decreasing, and the crisis of youth unemployment is spreading rapidly. Despite active government support policies and research efforts for youth job creation, as employment trends show, the results have not been as promising as expected. As a means to address this issue, the importance of entrepreneurship as an alternative to employment and a means of job creation is growing. According to the '2020 Startup Company Survey' conducted by the Ministry of SMEs and Startups and the Korea Institute of Startup & Entrepreneurship, young entrepreneurs in their 20s to 30s accounted for only 21.5% of the total, significantly lower than the 61.5% of those in their 40s to 50s. The government, as part of its efforts to improve youth unemployment and create jobs, recognizes the need to move beyond standardized entrepreneurship support policies and develop tailored support policies that align with the unique characteristics of different regions. Furthermore, there is a need for practical, region-specific entrepreneurship education that focuses on specialized brand development, rather than generic theory-based entrepreneurship education in four-year universities and vocational colleges. Efforts are required to promote entrepreneurship through various funding mechanisms and support for entrepreneurship spaces to ensure the success of prospective and existing entrepreneurs.

[1] conducted a study on improving domestic entrepreneurship support programs to promote youth entrepreneurship. The study involved assessing the current status and characteristics of major entrepreneurship support programs operating in South Korea and analyzing entrepreneurship support systems in leading advanced countries. The aim was to propose development strategies for future entrepreneurship support programs that align with the evolving demands.

Over the years, in accordance with government policy priorities, domestic universities have concentrated their efforts on providing diverse support and capabilities for entrepreneurship education. As a result, entrepreneurship education in universities has contributed to the quantitative growth of entrepreneurship and has positively enhanced the image of entrepreneurship among young people. However, it has struggled to keep up with the rapid quantitative expansion in terms of qualitative growth[2].

In this study, we aim to explore the relationship between local entrepreneurship education, tailored to regional characteristics, and the entrepreneurial motivation, entrepreneurial competencies, and entrepreneurial spirit of prospective entrepreneurs in the region through causal analysis

II. Theoretical Background

Entrepreneurship education is defined as an encompassing concept that imparts knowledge, skills, principles, attitudes, and values necessary for starting and successfully operating a business. It also encompasses education aimed at preparing individuals for future entrepreneurship and fostering an entrepreneurial spirit as potential workers.

Examining empirical studies that have investigated the relationship between education satisfaction, entrepreneurial competencies, and entrepreneurial motivation among entrepreneurship education graduates, we find that [3] conducted a study on changes in entrepreneurial competencies among female college students before and after entrepreneurship education. The research results indicated that all the entrepreneurial competencies considered important by these female students had a significant impact.

Similarly, [4] conducted an empirical analysis of

the impact of entrepreneurial motivation and satisfaction with entrepreneurship education on entrepreneurship readiness, self-efficacy, and the intention to start a food service business. The analysis showed that entrepreneurial motivation had a positive influence on self-efficacy, which in turn had a significant impact on entrepreneurship readiness and the intention to start a food service business.

In another empirical analysis, [5] examined the influence of university students' personal characteristics and their experiences with entrepreneurship education on their intention to start a business. The research found that entrepreneurship education among university students significantly correlated with achievement motivation, self-efficacy, and creativity. It was also noted that education satisfaction did not have a significant impact on achievement motivation and self-efficacy, whereas creativity had a significant influence on both.

In a study on the impact of entrepreneurial spirit on the intention to start a business, [6] divided entrepreneurial spirit into innovativeness, proactiveness, and risk-taking. They defined entrepreneurial spirit and behavior as the generation of new value through continuous innovative activities in uncertain environments.

Additionally, [7] conducted empirical research on the influence of entrepreneurial competencies on business performance among small business owners. The study found that entrepreneurial experience and marketing competencies had a significant impact on satisfaction with entrepreneurship. Furthermore, it concluded that entrepreneurial competencies are the most critical management resources for startup companies.

Furthermore, [8] conducted research on the psychological characteristics and intrinsic motivations of young entrepreneurs, focusing on their impact on the potential for entrepreneurial success. Entrepreneurial motivation was defined as the desire to create a new business organization, helping entrepreneurs gain the will to start a new business through the identification and pursuit of new business opportunities. The analysis results revealed that the psychological characteristic of intrinsic motivation significantly influenced entrepreneurial self-efficacy. Past studies on entrepreneurial motivation have considered personal and environmental factors as key contributors. Recently, there has been an emphasis on factors such as achievement motivation and self-realization influenced by socio-cultural environments.

[9] conducted an empirical study on the impact of factors influencing the intention to continue a business among early-stage entrepreneurs. The analysis results showed that an entrepreneur's self-realization motivation significantly influenced their satisfaction with entrepreneurship, and entrepreneurial motivation had a direct impact on the intention to continue entrepreneurship. It was regarded as a crucial factor affecting success after starting a business.

In [10], an empirical analysis was conducted on the influence of entrepreneurial motivation on entrepreneurial opportunity competencies among prospective young entrepreneurs. The empirical results indicated that entrepreneurial motivation significantly impacted entrepreneurial opportunity competencies.

The findings of these previous studies underscore the importance of entrepreneurship education tailored to the needs of local young prospective entrepreneurs and its close relationship with their entrepreneurial motivation, competencies, and entrepreneurial spirit. Therefore, in this study, we categorized the components of entrepreneurial motivation into economic motivation and self-realization motivation, and entrepreneurial competencies were divided into practical competencies required for local entrepreneurship, local brand development competencies, and financial analysis competency. We conducted empirical analysis accordingly.

III. Research Method

1. Research Model and Hypotheses

The aim of this study is to empirically analyze the impact of local entrepreneurship education on participants' entrepreneurial motivation, entrepreneurial competencies, and entrepreneurial spirit.

In this study, the following hypothesis was established based on previous research.

Hypothesis 1: Local entrepreneurship education will have a positive impact on entrepreneurial spirit.

Hypothesis 2: Local entrepreneurship education will have a positive impact on entrepreneurial motivation.

Hypothesis 3: Local entrepreneurship education will have a positive impact on entrepreneurial competency.

Hypothesis 4: Entrepreneurial spirit will have a positive impact on entrepreneurial motivation.

Hypothesis 5: Entrepreneurial spirit will have a positive impact on entrepreneurial competency.

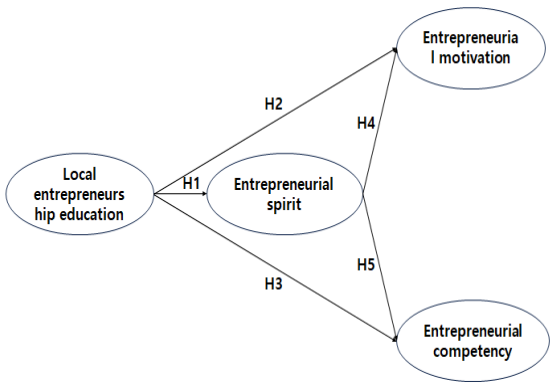

Fig. 1. Research model and Hypothesis

2. Sampling

This study conducted a survey targeting students who took entrepreneurship-related courses at K University located in Busan from March 2023 to October 2023. A total of 150 questionnaires were distributed, with 11 incomplete responses excluded, resulting in 139 questionnaires used for statistical analysis (response rate: 92.6%). The frequency analysis of the demographic characteristics of the sample is presented in <Table 1>.

Among the 139 participants, 112 (80.6%) were male respondents, and 27 (19.4%) were female respondents. The age distribution of the overall respondents showed that the majority fell in the age group of 20-30 years (93.5%), followed by 51 years and older (3.6%), and those aged 20 or younger (2.2%).

Regarding entrepreneurial experience, 95% of respondents indicated they had no prior experience, while 5% had some experience. Educational background analysis revealed that 66 (47.5%) were high school graduates, 60 (43.2%) had completed a 2-year college degree, 3 (2.2%) were 4-year university graduates, and 10 (7.2%) fell into the 'other' category. This data indicates that 90.7% of the respondents were either high school graduates or had completed a 2-year college degree.

In terms of preferred industries, manufacturing was the most popular choice, selected by 60 respondents (43.2%), followed by the service industry with 34 (24.5%), other industries with 22 (15.8%), and IT with 17 (12.2%).

3. Operational Definition of Variables

In this study, theoretical considerations and previous research on entrepreneurship education, entrepreneurial motivation, entrepreneurial competencies, and entrepreneurial spirit were reviewed. Therefore, based on the results presented in previous studies, this study utilized 41 scales to measure the four factors of entrepreneurship education, entrepreneurial motivation, entrepreneurial competencies, and entrepreneurial spirit.

Local entrepreneurship education was modified and measured in accordance with this study, referring to [4], with five additional items aside from 'The extent to which entrepreneurship education is perceived as a valuable opportunity for successful entrepreneurship.' Entrepreneurial

motivation was measured, referring to [11], with twelve additional items aside from 'The level of desire to earn a lot of money as the most important factor.' Entrepreneurial competencies were measured, referring to [9], with fourteen additional items aside from 'The extent of analyzing and understanding the characteristics of local markets and business locations required for entrepreneurship.' Entrepreneurial spirit was measured, referring to [12], with six additional items aside from 'The degree to which one possesses creativity and innovative thinking in detecting opportunities.

All variables were measured using a Likert 5-point scale, ranging from "Not at all" to "Very much.

Table 1. General characteristics of the sample

	Division	Total (unit: persons)	Ratio(%)
Gender	Male	112	80.6
	Female	27	19.4
Marital status	Married	188	65.5
	Single	99	34.5
Age	20s or less	3	2.2
	20~30s	130	93.5
	31~40s	1	07
	51s or more	5	3.6
Education level	High school graduate	66	47.5
	2 year-college student/graduate	60	43.2
	4-year university student/graduate	3	2.2
	Others	10	7.2
Start-up experience	yes	7	5
	no	132	95
Industry of interest	Manufacturing	60	43.2
	IT	17	12.2
	Service	34	24.5
	Distribution industry	4	2.9
	retail	2	1.4
	Others	22	15.8

IV. Results

1. Exploratory Factor Analysis

In this study, exploratory factor analysis and the analysis of the research instrument's reliability were conducted using SPSS Windows 26.0. To evaluate reliability, Cronbach's alpha (Cronbach's alpha > 0.7) was used.

The factor extraction method employed was Principal Component Analysis, and the factor rotation method used was Varimax Rotation. This analysis was performed to ensure that the survey items align with the measurement objectives of this study. Furthermore, a single-dimensional factor analysis was conducted using factor loadings (Factor Loadings: FL > 0.6) to indicate the correlations among evaluation factors.

Table 2. Results of exploratory factor analysis

Item	Factor 1	Factor 2	Factor 3	Factor 4	Cronbach's α
entrepreneurial competency	**.845**	.125	.233	.125	0.981
	.834	.163	.265	.163	
	.821	.253	.162	.253	
	.803	.292	.299	.292	
	.800	.309	.296	.309	
	.791	.310	.272	.310	
	.790	.331	.278	.331	
	.781	.342	.301	.342	
	.749	.241	.331	.241	
	.733	.356	.294	.356	
	.709	.368	.271	.368	
	.693	.307	.192	.307	
	.688	.254	.425	.254	
	.658	.404	.353	.404	
	.611	.376	.474	.376	
	.587	.370	.304	.370	
	.562	.438	.250	.438	
	.439	.375	.318	.375	
entrepreneurial spirit	.204	**.737**	.240	.204	0.962
	.229	**.731**	.234	.281	
	.490	**.714**	.202	.202	
	.283	**.686**	.230	.238	
	.439	**.684**	.251	.181	
	.448	**.628**	.319	.135	
	.347	**.623**	.484	.181	
	.384	**.613**	.443	.217	
	.341	**.577**	.333	..238	
	.331	**.553**	.291	.353	
	.317	**.545**	.198	..465	
	.371	**.538**	.172	.529	
Local entrepreneurship education	.317	.205	**.823**	.279	0.974
	.347	.279	**.815**	.215	
	.371	.220	**.080**	.222	
	.275	.261	**.785**	.199	
	.390	.259	**.782**	.224	
	.365	.204	**.765**	.278	
entrepreneurial motivation	.103	.257	.212	**.807**	0.886
	.220	.176	.248	**.798**	
	.100	.251	.257	**.755**	
	.312	-.020	.223	**.745**	

When performing exploratory factor analysis on the survey items using SPSS 26.0, four factors emerged, which are entrepreneurship education, entrepreneurial motivation, entrepreneurial competencies, and entrepreneurial spirit.

2. The Findings of the Confirmatory Factor Analysis

Table 3. The Result of the Confirmatory Factor Analysis

Construct	Items		Cronbach´α	CR	AVE
	Before	After			
Local entrepreneurship education	19	19	0.981	0.921	0.602
entrepreneurial spirit	11	11	0.962	0.902	0.588
entrepreneurial motivation	6	6	0.974	0.917	0.671
entrepreneurial competency	4	4	0.0.886	0.823	0.512

The measurement tools in the investigation was reflected in the previous researches. They got thorough advice and review from related specialists. Therefore, it can be said to have validated the contents.

Using the AMOS 18.0, the Confirmatory Factor Analysis (CFA) was carried out to test the validity of the test tools on the items that were first tested through the exploratory factor analysis and confidence analysis. First, the fitness of the concepts and measurement variables were tested with the Maximum Likelihood Method.

The methods used for the adequacy of the assessment items are Standardized Factor Loadings: FL>0.6), Squared Multiple Correlations: SMC>0.5), Standardized Residual Covariance; -2.58<SRC<+2.58) [13] and the Construct Reliability; C.R.>0.7 and Average Variance Extracted: AVE>0.5 [13][14]. The methods used for the confirmation on the significance level of the study model were Goodness-of-fit-index>= 0.9 (GFI), Adjusted Goodness-of-fit-index>=0.9 (AGFI), Root mean square residual<= 0.05 (RMR), Normed fit index>=0.9 (NFI), Comparative fit index>=0.9(CFI) and Root Mean square error of approximation<=0.1(RMSEA).

Lastly, the path coefficients between theoretical variables were identified using the Structured Equation Model (SEM) to verify the hypotheses of the investigation.

According to the findings of the confirmatory factor analysis, all the Standardized Factor Loadings, Squared Multiple Correlations, Standardized Residual Covariance [13] satisfied the necessary criteria value As a result, 1 items were removed from the 41 items for the final selection

3. Analysis of the Structural Model

Causality is employed to elucidate the interrelationships between factors through the cause-and-effect relationships [15]. In this study, a covariance structural model was used to analyze whether there are any causal relationships among the four factors: entrepreneurship education, entrepreneurial motivation, entrepreneurial competencies, and entrepreneurial spirit.

To investigate the causal relationships among all the factors in this study, a structural model using AMOS 18.0 was tested. The results showed that χ^2 = 0.259 (df=1), p = 0.000, χ^2/df = 0.259, GFI = 0.999, RMR = 0.003, NFI = 0.999, AGFI = 0.991, and CFI = 1, all of which meet the general fit indices.

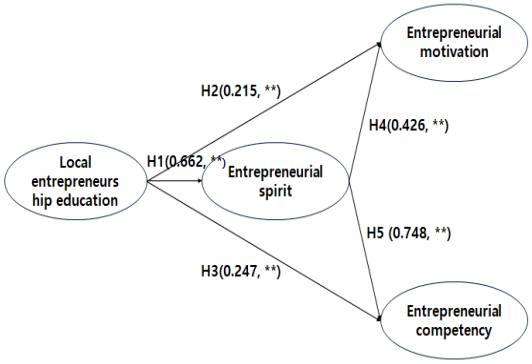

Fig. 2. Research Results

<Table 4> and <Figure 2> present the standardized path coefficients and their significance levels. The results of this study indicate that entrepreneurship education has a positive impact on entrepreneurial

spirit (H1), entrepreneurial motivation (H2), and entrepreneurial competencies (H3). Furthermore, entrepreneurial spirit positively influences entrepreneurial motivation (H4) and entrepreneurial competencies (H5).

Table 4. Results of hypotheses

Hypothesis	Path	FL	t-value	p-value	Hypothesis Supported
H1	Local entrepreneurship education→ entrepreneurial spirit	0.662	12.943	0.000	**
H2	Local entrepreneurship education→ entrepreneurial motivation	0.215	2.666	0.008	**
H3	Local entrepreneurship education→ entrepreneurial competency	0.247	4.041	0.000	**
H4	entrepreneurial spirit→ entrepreneurial motivation	0.426	4.728	0.000	**
H5	entrepreneurial spirit→ entrepreneurial competency	0.748	10.955	0.046	**

*: P<0.05, **: P<0.01

V. Conclusions

The results of this study can be summarized as follows: Entrepreneurship education has a positive impact on entrepreneurial spirit (H1), entrepreneurial motivation (H2), and entrepreneurial competencies (H3). Furthermore, entrepreneurial spirit positively influences entrepreneurial motivation (H4) and entrepreneurial competencies (H5). These findings are consistent with the context observed in previous research and suggest that tailored local entrepreneurship education, taking into account regional characteristics, has an impact on the entrepreneurial motivation (economic motivation and self-realization motivation) and entrepreneurial competencies (practical skills, local brand development skills, financial analysis skills) of education participants, as well as their entrepreneurial spirit. Additionally, given the high proportion of self-employment in the Busan area, this study highlights the significance of local entrepreneurship education for the successful entrepreneurship of local university students and young prospective entrepreneurs and its potential contribution to the regional economy.

However, there are certain limitations to this study. The data in this study primarily reflects participants in local entrepreneurship education who are predominantly in their 20s (93.5%) and lack entrepreneurship experience (95.0%). It may not fully represent the characteristics of individuals preparing for actual entrepreneurship through local entrepreneurship education. Future research should involve more diverse fields and groups that can sufficiently reflect the characteristics of prospective entrepreneurs based on age, entrepreneurship sector, and other factors, using a larger dataset for analysis.

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