

# The Effect Of Business Incubators In Shaping The Entrepreneurial Mindset Among The Incubatees In Jordan

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*Abstract: In this study, the type of quantitative study was used. The aim of this research was to study the effect of business incubation on the Entrepreneurial Mindset and Entrepreneurial self-efficacy on the incubatees themselves in Jordan. As data were collected from 8 business incubators scattered in different regions in Jordan, the study tool used was the electronic questionnaire, and this questionnaire was prepared in English and Arabic and contained a Likert scale consisting of 5 points, and it was sent to the business incubators where they shared it with the incubatees and entrepreneurs who have completed incubation programs or who are still in incubation programs since they are the population of this research, and 152 responses were obtained, where the researcher analyzed these data using the statistical program SPSS version 25.*

*Keywords: Business Incubators, entrepreneurship, entrepreneurial mindset, Self - efficacy, Incubatees, entrepreneur, incubation program , Jordan.*

## I. INTRODUCTION

The transformation that has occurred in societies around the world is the result of dynamic forces such as the demographic shift of the population, major changes in technology and economic fluctuations (Xavier, Kelly, Kew, Herrington & Vorderwulbecke, 2012). This transformation has created new challenges and opportunities. Xavier et al. (2012) found that governments, private and public organizations, and individuals tend to be entrepreneurs in response to these dynamic forces.

Unemployment is one of the social challenges facing Jordan, and it represents a source of concern for governments with the increase in its rate and its spread among the youth, especially those with university degrees. As these challenges contributed to the emergence and practice of entrepreneurship in Jordan.

Other factors have contributed to the exacerbation of youth unemployment. One of these factors is the impoverishment of young people to the practical experiences,

skills, financial resources, and research capabilities needed to find work (Herrington & Kew, 2013). Herrington et al. (2009) observed that young people are forced to resort to entrepreneurial activity.

## II. LITERATURE REVIEW

Among the challenges that pushed the wheel of entrepreneurship in Jordan is the problem of unemployment, which in the first quarter of 2020 reached 19.3% (Department of Statistics 2020), as Jordan worked to follow methods and strategies for economic development that create an enabling environment that facilitates the establishment and growth of small and medium enterprises. Since that time, the government, in partnership with the public and private sectors, has established a number of institutions tasked with providing support to SMEs through enterprise development.

Enterprise development is an economic development strategy that aims to provide small and medium enterprises

with the support necessary to be able to grow, develop and succeed. There is a diverse group of institutions involved in the development and growth of projects that are made up of non-profit organizations, public and private organizations, and entities defined as service providers or aid providers. Where business incubators are known as one of the many organizations that constitute the infrastructure and basic for the follow-up and development of projects.

The concept of entrepreneurship began in Jordan during the year 1995. It was formed by bringing together a number of organizations with the aim of forming conglomerates, as business incubators are organizations that facilitate the work of entrepreneurs and emerging companies in the early stages of establishing the project.

The mechanisms of financing business incubators differ from one country to another, but in general they are funded by the state or private institutions as a form of government policy support to make these business incubators one of the basics that act as drivers of economic growth programs (Bruneel et al., 2012).

The services provided by business incubators are classified as tangible and intangible. The intangible elements of incubators, differentiated incubators, are other forms that provide support for businesses such as support for ownership (Smith & Zhang, 2012). The intangible elements of a business incubation include coaching and mentoring of the incubatees.

It has been revealed in the literature that business incubators help new ventures to flourish and develop, and are also an opportunity for entrepreneurs to develop their professional and personal perspective. Additionally, it is imperative to assess the business incubator's impact on the entrepreneur and the enterprise and use the results to inform the design of the business incubation process. An entrepreneurial mindset is said to differentiate entrepreneurs from Businessman. Entrepreneurs consider that they have been exposed to the elements that make up the entrepreneurial mindset or have mastered the niche aspects of it. The entrepreneurial mindset contains many texts and mind maps that entrepreneurs use to sequence the process of creating projects.

Cognitive theory provides many vital links between an entrepreneurial mindset and entrepreneurial self-efficacy. Entrepreneurs who are entrepreneurial self-efficacy in will likely have a developed entrepreneurial mindset and then look for opportunities for profitable and successful entrepreneurship. Entrepreneurs can be exposed to interventions that enhance and instill confidence in themselves that they can accomplish the tasks that each project requires, according to its configuration and can develop. The intervention can also be through practical training that helps the entrepreneur deal with the different elements of an entrepreneurial mindset.

### III. THE OBJECTIVE OF THE STUDY

Studies investigating the topic of business incubators should focus on all aspects of them, with the aim of understanding the functions and basics of their business. Where business incubators support projects and entrepreneurs

is an important principle and is greater than the physical space they provide, as it is important to focus on the interaction between business incubators and incubatees (Hackett and Dilts, 2004).

Due to the complexity of measuring the impact of the incubation process on both the professional and personal development of incubatees, this has resulted in a paucity of studies conducted in this field (Stephens and Onofrei, 2012). After Hannon (2005) reviewed several research papers on the topic of business incubators, he found a very small percentage focused on understanding the effect of business incubation on the incubatees themselves.

In this research, the main objective was to focus on one of the intangible aspects of the incubation process, as the study sought to measure the effect of the business incubation process on the entrepreneurial mindset and entrepreneurial self-efficacy from the perspective of incubatees and entrepreneurs themselves subject to incubation programs. This study will help in Show limited knowledge in this field and design appropriate nursery programs.

## IV. RESEARCH METHODOLOGY

### A. RESEARCH DESIGN

In this study, a positive model was assumed and it is a quantitative study. The study was cross-sectional, and a questionnaire was used to collect data. The research was based on electronic surveys sent via email and collected over a period of at least three months. Where it was sent to 8 business incubators in Jordan for distribution and sharing with incubatees and entrepreneurs who have been in the business incubation programs, or who have either completed the programs and the incubation period. A "45.5%" response rate was achieved for this study. The tool used in the study was a combination of the entrepreneurial mindset Urban (2012) and the entrepreneurial self-efficacy of McGee et al (2009).

### B. CONCEPTUAL FRAMEWORK

The following figure shows the dependent and independent variables that were worked on in this study

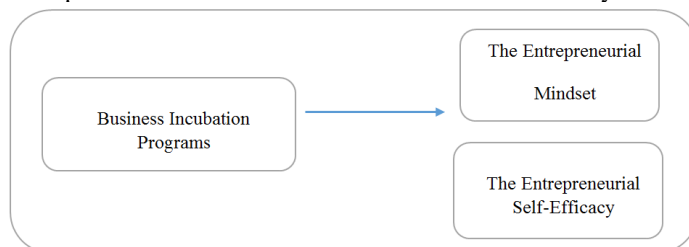


Figure 1: The research conceptual framework

### C. RESEARCH HYPOTHESES

The hypotheses in this study are formulated as follows:

✓ *HYPOTHESIS 1*

H1: The incubatees realized the positive effect between the mindset entrepreneurial and incubation.

✓ *HYPOTHESIS 2*

H1: The incubatees who graduated from business incubators realized a greater influence between an entrepreneurial mindset and incubation, compared to those incubatees who were still subject to business incubators programs.

✓ *HYPOTHESIS 3*

H1: The incubatees realized the positive effect between entrepreneurial self-efficacy and incubation.

✓ *HYPOTHESIS 4*

H1: The incubatees who graduated from business incubators realized a greater influence between entrepreneurial self-efficacy and incubation, compared to those incubatees who are still subject to business incubators programs.

## V. FINDING ANALYSIS

When evaluating and reviewing the results related to the first hypothesis an entrepreneurial mindset (goal orientation, metacognitive knowledge, metacognitive experience, metacognitive choice, and monitoring), it was clear in the results that the effect was noticeable between large and medium effect. As it can be deduced from these ratios that the incubatees realized the great effect on their entrepreneurial mindset with setting goals.

The goal orientation ratio was higher for the other formulas. Incubatees realized the major effect on their ability to understand how to relate task achievement with goals. They notice less effect on their ability to focus, develop appropriate strategies, and organize their time to best achieve their goals.

The incubatees who completed incubation programs showed a high and positive effect between the entrepreneurial mindset and incubation compared to incubatees who were still in incubation programs.

The results for the sub-structures related to entrepreneurial self-efficacy, namely (Searching, planning, organizing, implementing-people and implementing-financial), as it appears that the perceived effect was between the large and medium effect.

The effect appeared between the scales, that incubatees have realized a high effect between their entrepreneurial self-efficacy and incubation, as incubatees saw a significant effect of search in the incubation period, as this indicates their ability to searching, think, design products and services that had better meet the needs and desires of customers. As for the implementing-people, where the incubatees saw that the incubation effect on their ability to select and hire new employees to carry out various tasks has a moderate effect.

Incubatees who completed incubation programs in business incubators showed a significant and positive effect between entrepreneurial self-efficacy and incubation compared to incubatees who were still in incubation programs.

## VI. RESULTS OF THE STUDY

The results were as follows:

- ✓ Incubatees perceived a large and positive effect between their entrepreneurial mindset and incubation goal orientation more than other sub-structures.
- ✓ Incubatees who completed incubation programs showed a high and positive effect between their entrepreneurial mindset and incubation compared to incubatees who were still in and subject to incubation programs.
- ✓ Incubatees perceived the great and positive effect between their entrepreneurial self-efficacy and incubation, with the effect of searching more than other sub-structures.
- ✓ Incubatees who completed incubation programs in business incubators showed a high and positive effect between their entrepreneurial self-efficacy and incubation compared to incubatees who were still in and subject to incubation programs.

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