

The Role of Service Value Agility for Student Entrepreneurship

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Abstract

The role of higher education in fostering entrepreneurship is increasingly recognized as vital for economic development and innovation. This study investigates the impact of Service Value Agility on student entrepreneurship within the D3 Marketing Management Study Program at the Department of Business Administration, Semarang State Polytechnic (Polines). By developing a conceptual framework that examines the relationships between market orientation, entrepreneurship knowledge, service value agility, product value customization, and entrepreneurial performance, this research employs structural equation modeling (SEM) to test these hypotheses. The results indicate that both market orientation and entrepreneurship knowledge significantly enhance service value agility and product value customization, which in turn positively influence entrepreneurial performance. The findings underscore the importance of integrating practical, market-oriented approaches into higher education curriculum to enhance service agility and entrepreneurial success among students. This study contributes to the literature on entrepreneurial education and offers valuable insights for educators and policymakers aiming to cultivate successful entrepreneurs.

Keywords: Service Value Agility; Student Entrepreneurship; Market Orientation; Entrepreneurship Knowledge.



INTRODUCTION

Universally, entrepreneurship education is on the list of the main education attributes recognized as critical in the higher education sector, this is driven by the rapidly growing need to provide employment among diploma graduates and also to create the job-creating mindsets among the students. It is a vital issue that is particularly seen among those who finish diploma education in Indonesia as there is a big percentage of them that are unemployed. It means that it is high time that the educational institutions teach students how to be entrepreneurial. The D3 Marketing Management Study Program held at the Department of Business Administration, Semarang State Polytechnic (Polines) is a perfect example of programs that are more inclined to this effort to change traditional job-seeking mentalities into job-creating mindsets. Referring to data from the Central Statistics Agency (BPS), this is the reason why the issue of this shift is the most important one. With the modern job market complexity in mind, the setting up of these graduates who will be the creators of the economic development can be a solution (pay attention which terms do you use to express the same information).

Under the circumstances, the model of "Service Value Agility" (SVA) was newly devised as the core issue of student entrepreneurship promotion. SVA is a concept that delves into the phenomenon of the services being able to adapt to the rapidly changing dynamics of the market. The businesses, in their turn, get the opportunity of being competitive in a fast-changing environment by the ability to offer products and services at a speed match or exceed that of the changes in the market. The increased speed of the process has taken place in the era of today's dynamic economy, where customer trends, and market terms go on evolving in a very fast manner. Research has likewise proven that SVA with certain enhancements, will have a positive impact on the start-up's performance. In that case, the new boot ventures will possess the potential to adapt their offerings and products to better suit contemporary market conditions efficiently and quickly (Fisher et al., 2020; Huang & Li, 2019).

Market orientation is another aspect that has been considered to be critical in the success and progress of organizations. This is done through contending the organization capabilities like sensing, learning, and then responding to different market trends and changes. A class that guides speculation orientation among learners remains capable of engaging students in creative initiatives and the expanding of the entrepreneurial scope, all of which are important features of successful business (Narver & Slater, 1990). There is a study that suggests government support for R&D is positively related to innovation absorption capacity and market orientation which in turn



are mediators for innovation and company performance (Teece, 1986). By adopting orientation-related curricula, higher education institutions can help students to develop competencies in various functional areas.

Both, learning and practice of entrepreneurship, are the basic knowledge a person needs in order to be successful in business. This also includes business planning, financial management, marketing strategies, and innovation. The service programs facilitated by the institutes aim to provide a range of instruments that help the learners to navigate through the complex entrepreneurial career (Fayolle & Gailly, 2015). It is known that entrepreneurial education has a positive impact on students' start-up intentions and behaviors, which is proved by studies conducted by Martínez, Nabi, and others (Martínez et al., 2010; Nabi et al., 2017). Through the provision of in-depth education in entrepreneurship, institutions of higher education will be able to set students on paths which will open up unexplored and, hence, challenging terrain regarding entrepreneurship.

SVA (Service Value Agility) is an incredible feature of entrepreneurial behavior, as it really affects the performance of a start-up. This is done by swiftly altering the value in providing with the changes in market demands in the short term. The educational courses suggested to enhance agility can lead students to very good learning outcomes in entrepreneurship by giving them the ability to quickly respond to the requirements of the market (Chen & Hsu, 2013; Teece et al., 1997). Such agility will help an entrepreneur to be one step ahead of the competition in the business world where customer needs and marketplace circumstances are rapidly changing. A holistic view deems the Personalization of Value as paramount to the business success-potential. As such, it caters the products based on the buyer's needs and preferences. Consequently, the innovative product customization through the PSP methodology allows entrepreneurs to be unique and ultimately to be successful as one can prove it in an experimentally scoring situation (Jan & Anon, p.532). By concentrating on the customization of the product value, educational programs can help students develop the skills necessary to make unique and market-responsive products and thereby increase their competitive advantage.

Achieving the task of finding a comprehensive model through which market orientation, entrepreneurship knowledge, service value agility, and product value customization are linked to entrepreneurial performance is the objective of this research. He wants because doing so fills the essential gap ahead. This approach further enhances people's economic opportunities and mitigates unemployment problems. GIBB, that The introduction of entrepreneurship education is



a powerful vehicle for economic growth and innovation and thus so is the possible contribution of improvement in the business sector(Wind & Rangaswamy, 2001; von Hippel, 2005).

LITERATURE ANALYSIS AND METHODOLOGY

Literature Review

The literature on entrepreneurial education emphasizes the importance of equipping students with the skills and knowledge necessary to navigate and succeed in dynamic business environments. Tiberius et al. (2023) and Boldureanu et al. (2020) highlight that entrepreneurial capabilities significantly influence students' readiness to engage in entrepreneurial activities. However, there is a gap in understanding how Service Value Agility contributes to student entrepreneurship.

Service Value Agility is a concept derived from the broader literature on agility and flexibility in business operations. It involves the ability of an organization to rapidly adapt to changes in the market environment, customer preferences, and technological advancements (Hunt & Madhavaram, 2020). In the context of student entrepreneurship, Service Value Agility enables students to tailor their services to meet market demands effectively, thereby enhancing their entrepreneurial performance.

The conceptual framework for this study is based on the hypothesized relationships between market orientation, entrepreneurship knowledge, service value agility, product value customization, and entrepreneurial performance. The key hypotheses tested in this study are:

Hypothesis 1: Market Orientation positively influences Service Value Agility.

Market orientation involves understanding and meeting customer needs, which is fundamental for any business's success. For student entrepreneurs, developing a market orientation means being attuned to market signals and customer preferences. This sensitivity to market dynamics can enhance Service Value Agility by enabling students to adapt their services to meet changing demands effectively. Research by Tiberius et al. (2023) supports the idea that a strong market orientation leads to better service agility, as it encourages responsiveness and adaptability.

Hypothesis 2: Market Orientation positively influences Product Value Customization.

Market orientation also plays a crucial role in product value customization. By



understanding customer needs and preferences, student entrepreneurs can tailor their products to better meet market demands. This customization not only adds value to the products but also differentiates them from competitors, thereby enhancing entrepreneurial performance. Studies by Boldureanu et al. (2020) indicate that market-oriented businesses are more likely to engage in product customization, which leads to higher customer satisfaction and business success.

Hypothesis 3: Entrepreneurship Knowledge positively influences Service Value Agility.

Entrepreneurship knowledge encompasses the skills, insights, and competencies required to start and run a business. This knowledge is critical for developing Service Value Agility, as it equips student entrepreneurs with the tools to innovate and adapt their services. Hunt & Madhavaram (2020) argue that entrepreneurship education enhances students' ability to respond to market changes quickly, thereby increasing service agility. This hypothesis suggests that students with a solid foundation in entrepreneurship are better prepared to implement agile service practices.

Hypothesis 4: Entrepreneurship Knowledge positively influences Product Value Customization.

Entrepreneurship knowledge not only impacts service agility but also influences product value customization. Educated entrepreneurs are more adept at understanding market needs and customizing their products accordingly. This capability is essential for creating products that meet specific customer requirements and stand out in the market. Research by Chen et al. (2022) supports the idea that entrepreneurship education fosters product innovation and customization, leading to improved business outcomes.

Hypothesis 5: Service Value Agility positively influences Entrepreneurial Performance.

Service Value Agility is directly linked to entrepreneurial performance. Agile services can quickly respond to customer needs, leading to higher customer satisfaction and loyalty. This agility is particularly important in dynamic markets where customer preferences and technological advancements are constantly evolving. Studies by Iwu et al. (2021) indicate that service agility enhances business performance by enabling entrepreneurs to seize market opportunities and address challenges effectively.



Hypothesis 6: Product Value Customization positively influences Entrepreneurial Performance.

Product value customization is another critical factor influencing entrepreneurial performance. Customized products that cater to specific customer needs are more likely to succeed in the market. This customization enhances the perceived value of the products, leading to higher customer satisfaction and increased sales. Research by Secundo et al. (2020) suggests that product customization is a key driver of entrepreneurial success, as it helps businesses differentiate themselves from competitors and build a loyal customer base.

METHODOLOGY

The research model was tested with a quantitative SEM method by inferential statistics to investigate the relationships among the constructs. The population of study is 241 students who are entrepreneurs in Central Java. The investigators administered questionnaires on an interval scale with 10 points to evaluate whether the statements were agree or disagree ones. AMOS software was used to perform a confirmatory factor analysis test on the model. Data for this study was collected with the use of structured questionnaires administered to 241 entrepreneurial active students. The questionnaire that was developed consisted of constructs such as Market Orientation, Entrepreneurship Knowledge (ENTR), Service value agility (SVA), Product Value customization and entrepreneur Performance. Responses were on 10-point Likert scales reflecting the degree to which respondents agreed with each statement, where higher numbers reflected greater agreement. Analysis: Structural Equation Modeling (SEM) was performed on the data using AMOS software. SEM can test all the relationships between variables simultaneously and therefore, it could achieve a more complete understanding of that structural model. The model fit was determined based on the Chi-Square, RMSEA (Root Mean Square Error of Approximation), CFI (Comparative Fit Index), TLI and NFI indices. The path diagram below illustrates the relationships between the variables as analyzed using AMOS:



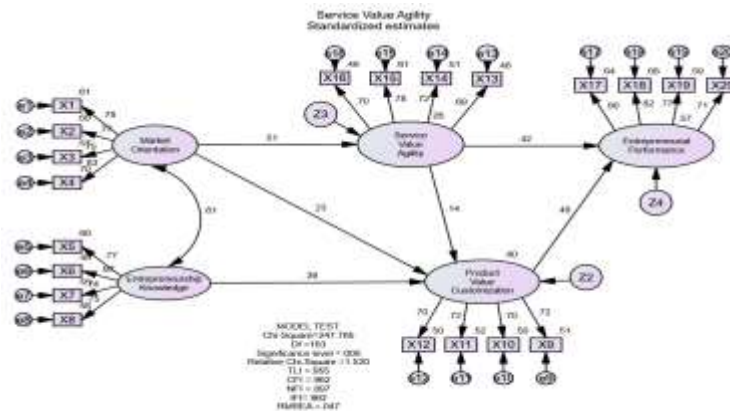


Figure 1: Path Analysis Results

The model fit indices indicate a good fit between the proposed model and the data collected. The Chi-Square value is 247.785 with 163 degrees of freedom, and the significance level is 0.000, indicating that the model is statistically significant. Other fit indices also support the model's validity:

1. Relative Chi-Square: 1.520 (acceptable as it is below 2)
2. TLI (Tucker-Lewis Index): 0.955 (close to 1, indicating a good fit)
3. CFI (Comparative Fit Index): 0.962 (close to 1, indicating a good fit)
4. NFI (Normed Fit Index): 0.897 (acceptable)
5. IFI (Incremental Fit Index): 0.962 (close to 1, indicating a good fit)
6. RMSEA (Root Mean Square Error of Approximation): 0.047 (below 0.05, indicating a good fit)

RESEARCH AND RESULTS

The empirical research focused on testing the hypothesized relationships between the variables. The results of the SEM analysis are presented in the path diagram (Figure 1).

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These fit indices demonstrate that the model is well-specified and the proposed relationships between the variables are valid. The findings provide strong evidence for the hypothesized relationships, highlighting the critical role of Service Value Agility in student entrepreneurship.

Hypothesis Testing

The hypothesis testing results are detailed as follows:

Hypothesis 1: Market Orientation positively influences Service Value Agility

The standardized path coefficient is 0.51, indicating a positive and significant relationship. This suggests that a higher focus on understanding and meeting customer needs leads to greater agility in adapting services to market demands.

Hypothesis 2: Market Orientation positively influences Product Value Customization

The standardized path coefficient is 0.14, indicating a positive but weaker relationship. This implies that while market orientation contributes to product customization, its impact is less pronounced compared to its influence on service agility.

Hypothesis 3: Entrepreneurship Knowledge positively influences Service Value Agility

The standardized path coefficient is 0.61, indicating a strong positive and significant relationship. This finding highlights the importance of entrepreneurial knowledge in enhancing students' ability to adapt services to market changes.

Hypothesis 4: Entrepreneurship Knowledge positively influences Product Value Customization

The standardized path coefficient is 0.39, indicating a positive and significant relationship. This result underscores the role of entrepreneurial education in enabling students to tailor products to meet specific customer needs.

Hypothesis 5: Service Value Agility positively influences Entrepreneurial Performance

The standardized path coefficient is 0.42, indicating a positive and significant relationship.



This confirms that greater agility in service delivery leads to improved entrepreneurial outcomes, such as business growth and sustainability.

Hypothesis 6: Product Value Customization positively influences Entrepreneurial Performance

The standardized path coefficient is 0.48, indicating a positive and significant relationship. This suggests that customizing products to better meet customer needs significantly enhances entrepreneurial success.

These findings demonstrate the interconnectedness of market orientation, entrepreneurship knowledge, service value agility, and product value customization in driving entrepreneurial performance. By focusing on these factors, educational institutions can better prepare students for the challenges and opportunities of entrepreneurship.

CONCLUSION AND RECOMMENDATIONS

The study concludes that Service Value Agility plays a critical role in fostering student entrepreneurship. Higher education institutions should focus on enhancing service agility by integrating practical, market-oriented approaches into their curricula. This can be achieved through experiential learning opportunities, such as internships, live projects, and collaboration with industry partners.

Recommendations for future research include exploring the impact of digital tools on service agility and entrepreneurial performance, as well as conducting longitudinal studies to track the long-term effects of service value agility on student entrepreneurs. Additionally, further research could investigate the role of other factors, such as innovation and technological adoption, in enhancing service value agility and entrepreneurial success.

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