

CHAPTER I

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Economic environment is changing quickly and this change is portrayed by such wonders as the globalization, changing client and investor demands, ever-increasing product-market competition. To finish effectively in this environment, organizations constantly need to improve their exhibition by diminishing cost, innovating items and processes and improving quality, efficiency and speed to market. Accomplishing a competitive advantage position and upgrading firm performance in respect to their rivals are the primary targets that business associations specifically ought to endeavor to achieve. To endure and create, they should implement strategic management tools in order to expand their intensity and get more advantages. Globalization has made business framework to have experience various of changes in recent years. These progressions are joined by development both in size and magnitude. To adapt to these changes, modern management techniques are utilized in contemporary business condition. The significance of entrepreneurial training as one of the key elements for company development has been perceived. Training contributes positively in the development and performance of enterprises. The training has critical impact on participant qualities and final participant results. As a result of training, enterprise operators can acquire better management techniques, grow their substances, receive new technology and manufacture more business linkages.

Training enables owners and supervisors figure how to handle certain issues, keeping them in the process, time and money. Also, it permits them comprehend certain rules and procedures present in maintaining a business. Entrepreneurship growth training programs

enhance entrepreneurial skills amongst entrepreneurs. Training empowers member to change conduct and how they see their exercises. Training as the formal and orderly change of conduct through realizing which happens because of education, guidance, growth and planned experience. The major point of training is to assist the enterprise accomplish its aim by adding value to its key resource that the individuals it employs. Education does provide a reason for greater confidence, better strategic position and broader business management abilities.

The ability required by a business person can be characterized into three fundamental areas namely, technical skills, business management and individual entrepreneurial skills. Entrepreneurship education programs assists develop attitudes favourable to starting one's own business and also give knowledge and skills to maintaining a business. Skills advancement incorporartes a wide scope of essential areas like leadership, communication, managerial and financial that are crucial for business development and productivity. Entrepreneurship training provision as a strategy in successful exhibition of firm. The effect of training on positive results can be acknowledge because the training enables the owners of enterprises to attain new thoughts on how to improve their businesses through productivity, diminished prduction costs, improved management skills and easy access to more beneficial and extended markets.

This research is done at stationery distributor in Medan. The distributor of stationery provides many stationery to office, school and so forth. Some of business in stationery have not performed well and hence have not obtained the expected profit. This circumstance has been of extraordinary concern to this study. Unfortunately, these business owners do not posses adequate knowledge of entrepreneurship, and tend to allocate very little resource for training.

They do not realize the fact that the overall performance of any business is strongly influenced by how well the management practice matches its organizational structure and behavioural norms of its employees. Organizational efficiency and effectiveness are ultimately a function of management practice in the area of product or organizational offering. The performance level of stationery distributor has been most unsatisfactory, as the problems of delay and high cost in service delivery. The possible reason for this may include that majority of employees may not have received adequate training and exposure to perform the functions they are assigned to. However in order to realize the objective of profit maximization, the personnel involved in their operations must be adequately trained to enable them be alert in their responsibilities. Entrepreneurs in organization have less skillful, less knowledgeable and are unable to compete. Hence, an entrepreneur training is necessary for companies to gain competitive exposure and enhance the organization's performance

Based on description above, the writer wants to conduct the research with title **“The Impact of Entrepreneurship Training on Business Performance at Stationery Distributor in Medan”**.

1.2 PROBLEM LIMITATION

The writer determines problem limitation in stationery distributor in Medan. The research is done to entrepreneurship training as independent variable with indicators such as entrepreneurship skill, innovation, apprenticeship, and business skill (Crucke & Decramer, 2016, p.5). And also, business performance as dependent variable which has dimensions that are economic, human, environmental, community, and governance performance (Kingori & Theuri, 2016, p.99).

1.3 PROBLEM FORMULATION

Based on the background study above, the writer can take problem identification as follows : Does the entrepreneurship training have impact to business performance at stationery distributor in Medan?

1.4 OBJECTIVE OF THE RESEARCH

The purposes in doing this research are as follows to know whether there is the impact of entrepreneurship training on business performance of stationery distributor in Medan.

1.5 BENEFIT OF THE RESEARCH

The benefits from conducting this research are as follows:

1.5.1 THEORETICAL BENEFIT

1. This research is expected in improving understanding of theory of entrepreneurship.
2. This research can be used as reading material for student of Universitas Pelita Harapan Medan.

1.5.2 PRACTICAL BENEFIT

1. For the company, this research can provide recommendation of company in improving the business performance with entrepreneurship training.
2. For writer, this research can increase the writer's knowledge of entrepreneurship
3. For other researcher, this research can be used as reference to other research with same topic.

1.6 SYSTEMS OF WRITING

The systems of writing in this *skripsi* will be as follows :

Chapter I : Introduction

This chapter consists of the background of the study, problem limitation, problem formulation, objective of the research, benefit of research and systems of writing.

Chapter II : Literature Review and Hypothesis Development

This chapter consists of theories that are related with this research, such as definition of entrepreneurship, entrepreneurship training and business performance. This chapter also describes previous research, develops hypothesis, makes research model and framework of thinking.

Chapter III : Research Methodology

This chapter consists of the research design, population and sample, data collection method, operational variable definition and variable measurement and data analysis method.

Chapter IV : Data Analysis and Discussion

This chapter consists of general view of research object, data analysis and discussion.

Chapter V : Conclusion

This chapter consists of the conclusion, the implication and recommendation of this research.