

Competency Based Training, Capital Assistance, and Entrepreneurial Intention: The Mediating Role of Entrepreneurial Attitude

Reynaldo Satrio Fischa^{1*}, Fitriasuri², Dina Mellita³, Septiani Fransisca⁴

¹Post Graduate, Bina Darma University Palembang, South Sumatera, Indonesia,

²³⁴Bina Darma University Palembang, South Sumatera, Indonesia

Corresponding Author: Reynaldo Satrio Fischa: reynaldosatrio@gmail.com

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ABSTRACT

This Study examines the effect of Competency Based Training (CBT) and capital assistance on entrepreneurial intention, with entrepreneurial attitude as a mediating variable. The research focuses on participants of CBT programs at the Department of Transmigration and Manpower of Ogan Ilir Regency. A quantitative approach was employed using survey data from 150 respondents, analyzed through Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings indicate that CBT significantly influences entrepreneurial attitude but does not directly affect entrepreneurial intention. Capital assistance has a direct significant effect on entrepreneurial intention but does not significantly influence entrepreneurial attitude. Entrepreneurial attitude significantly affects entrepreneurial intention and mediates the relationship between CBT and entrepreneurial intention. These results highlight the importance of psychological factors in strengthening the effectiveness of training programs in fostering entrepreneurship.

INTRODUCTION

Human resource development has become a central issue in economic transformation, particularly in developing countries that face persistent challenges related to unemployment, underemployment, and low productivity. In Indonesia, these challenges remain significant despite continuous policy interventions aimed at improving workforce quality and economic participation. The role of entrepreneurship is increasingly recognized as a strategic solution to address these issues, as it contributes not only to job creation but also to innovation, economic diversification, and social welfare improvement (Drucker, 2020; OECD, 2023).

At the national level, Indonesia continues to struggle with labor market imbalances, particularly among young and productive age populations. Data from the Central Bureau of Statistics indicate that the Open Unemployment Rate remains a concern, especially among individuals with limited access to skills development and employment opportunities. Government initiatives such as vocational training programs, entrepreneurship development schemes, and financial assistance have been widely implemented; however, their effectiveness in generating sustainable entrepreneurial activities remains debatable (Kementerian Koperasi dan UKM, 2023).

One of the prominent strategies adopted by the government is the implementation of Competency Based Training (CBT), which aims to equip individuals with practical skills aligned with labor market demands. CBT emphasizes measurable competencies, including knowledge, technical skills, and work attitudes, enabling participants to perform specific tasks effectively (Widiyatmoko, 2021). In theory, such training systems are expected to reduce the mismatch between education and industry needs, thereby enhancing employability and encouraging self employment.

However, empirical evidence suggests that technical training alone is insufficient to foster entrepreneurial outcomes. Many training participants fail to translate acquired skills into actual business activities. This phenomenon is particularly evident in regional contexts such as Ogan Ilir Regency, where follow up data from CBT programs indicate that a substantial proportion of graduates remain unemployed or do not engage in entrepreneurial activities after completing the training . This condition highlights a critical gap between skill acquisition and behavioral intention, suggesting that additional factors beyond technical competence play a crucial role.

In parallel, access to capital has been widely acknowledged as a key determinant in entrepreneurial development. Financial support, whether in the form of grants, loans, or business capital assistance, is often considered a necessary condition for starting and sustaining a business (Lestari & Wahyuni, 2020). In many government programs, capital assistance is provided as a complementary intervention to training initiatives, with the expectation that it will enable participants to apply their skills in real economic activities.

Nevertheless, the effectiveness of capital assistance is also inconsistent. While some individuals successfully utilize financial support to establish businesses, others fail to do so due to lack of readiness, confidence, or motivation.

This indicates that capital alone does not guarantee entrepreneurial engagement, and its impact may depend on underlying psychological and behavioral factors (Rahmawati & Hidayat, 2022).

This leads to an important theoretical perspective provided by the Theory of Planned Behavior (TPB), developed by Ajzen (1991), which posits that behavioral intention is influenced by attitude toward the behavior, subjective norms, and perceived behavioral control. Among these components, attitude plays a central role in shaping an individual's willingness to engage in a particular behavior, including entrepreneurship. In this context, entrepreneurial attitude reflects an individual's evaluation of entrepreneurial activities, encompassing risk taking propensity, innovativeness, self confidence, and achievement orientation.

From a human resource management perspective, entrepreneurial attitude can be viewed as a form of behavioral competence that complements technical skills. Training programs that fail to address this psychological dimension may produce individuals who are technically capable but lack the motivation or confidence to initiate business ventures (Werner & DeSimone, 2012). Similarly, financial assistance programs that do not consider participants' readiness may result in inefficient resource utilization.

In the specific context of Ogan Ilir Regency, the dynamics of entrepreneurship development reveal both opportunities and challenges. Data show that the number of Micro, Small, and Medium Enterprises (MSMEs) has experienced gradual growth over the years, indicating a positive trend in local economic activity. However, this growth remains relatively modest, suggesting that the potential for entrepreneurship has not been fully realized. At the same time, unemployment and poverty rates remain significant, reflecting the need for more effective intervention strategies.

The local government, through the Department of Transmigration and Manpower, has implemented CBT programs combined with capital assistance as part of its efforts to enhance community empowerment. These programs cover various vocational skills such as tailoring, culinary arts, mechanical services, and other technical fields. Despite these initiatives, the outcomes have not been optimal, particularly in terms of generating new entrepreneurs and ensuring sustainable business development.

This situation raises a critical question: why do training and financial support programs fail to consistently produce entrepreneurial outcomes? One possible explanation lies in the absence of an integrated approach that combines technical skill development, financial support, and psychological readiness. Previous studies have indicated that entrepreneurial attitude may serve as a mediating variable that bridges the gap between external interventions and behavioral outcomes (Nguyen et al., 2023; Nurhadi, 2021).

Several empirical studies have explored the relationship between training, capital, and entrepreneurial intention. For instance, Rahman et al. (2021) found that entrepreneurship training significantly influences entrepreneurial intention. Similarly, Prasetyo et al. (2021) reported that access to capital positively affects individuals' willingness to start a business. However, other studies suggest that

these relationships are not always direct and may be mediated by psychological factors such as attitude, motivation, and self efficacy (Kalu & Ugwu, 2022; Nguyen et al., 2023).

Despite these contributions, there remains a notable research gap. First, many studies focus on either training or capital assistance as independent determinants of entrepreneurial intention, without examining their combined effects. Second, limited research has investigated the mediating role of entrepreneurial attitude in a comprehensive model that integrates both technical and financial interventions. Third, empirical evidence from regional contexts, particularly in Indonesia at the local government level, is still scarce.

This study aims to address these gaps by examining the influence of Competency Based Training and capital assistance on entrepreneurial intention, with entrepreneurial attitude as a mediating variable. By focusing on participants of CBT programs in Ogan Ilir Regency, this research provides a contextualized analysis that reflects real world policy implementation and its outcomes.

The novelty of this study lies in its integrative approach, which simultaneously considers technical training, financial support, and psychological factors within a single analytical framework. Unlike previous studies that treat these variables separately, this research highlights the interplay between structural interventions and individual behavioral responses. Furthermore, by identifying the mediating role of entrepreneurial attitude, this study contributes to the enrichment of the Theory of Planned Behavior in the context of entrepreneurship development.

From a practical perspective, the findings of this study are expected to provide valuable insights for policymakers, particularly in designing more effective training and empowerment programs. By understanding the mechanisms through which training and capital influence entrepreneurial intention, government agencies can develop integrated strategies that not only enhance skills and provide resources but also foster the necessary mindset for entrepreneurship.

In conclusion, this study seeks to answer how and to what extent Competency Based Training and capital assistance influence entrepreneurial intention, and whether entrepreneurial attitude serves as a key mediating variable in this relationship. By addressing this question, the research contributes both theoretically and practically to the field of entrepreneurship and human resource development, particularly in the context of regional economic empowerment.

LITERATURE REVIEW

Theory of Planned Behavior (TPB)

The Theory of Planned Behavior (TPB) developed by Ajzen (1991) is one of the most dominant theoretical frameworks in explaining individual intentions towards a behavior. TPB states that intention is the main predictor of actual behavior, which is influenced by three main constructs, namely *attitude toward behavior*, *subjective norm*, and *perceived behavioral control*. In the context of

entrepreneurship, entrepreneurial intent represents an individual's readiness to start a business and is an early indicator of entrepreneurial action.

Among the three constructs, attitudes have the most significant role in many empirical studies, especially in the context of entrepreneurship in developing countries (Liñán & Chen, 2009; Nguyen et al., 2023). Entrepreneurial attitudes reflect an individual's evaluation of entrepreneurial activities, including perceptions of economic risks, opportunities, and benefits. Individuals with a positive attitude tend to have higher intentions to start a business.

In this study, the SDGs are used as the main basis to explain how external interventions, namely Competency Based Training (PBK) and capital assistance, can influence entrepreneurial interest through the formation of entrepreneurial attitudes. Thus, entrepreneurial attitudes are positioned as a mediating variable that bridges the relationship between structural factors (*training and capital*) and behavioral factors (*entrepreneurial intention*).

Competency Based Training (CBT) and Entrepreneurial Attitude

Competency Based Training (PBK) is a training approach that emphasizes the mastery of skills that can be objectively measured based on certain standards (Rothwell & Graber, 2022). In the context of entrepreneurship, PBK not only functions as a means of improving technical skills, but also as a medium for the formation of work mindsets and attitudes.

According to Widiyatmoko (2021), an effective PBK is able to integrate aspects of knowledge, skills, and attitudes, resulting in individuals who are not only technically competent but also have mental readiness to face the world of work and business. This is reinforced by research by Kalu and Ugwu (2022) which shows that entrepreneurship training has a significant influence on the formation of entrepreneurial attitudes.

However, not all training is able to result in a change in attitude. Some studies show that training that focuses too much on technical aspects without touching on psychological aspects tends to fail to form an entrepreneurial orientation (Werner & DeSimone, 2012). Therefore, the effectiveness of PBK is highly dependent on curriculum design that is able to internalize entrepreneurial values.

Based on these arguments, the following hypotheses are formulated:

H1: Competency Based Training (CBT) has a positive and significant effect on entrepreneurial attitude.

Capital Assistance and Entrepreneurial Attitude

Capital assistance is one of the important instruments in entrepreneurial development, especially for individuals who have limited access to financial resources. Theoretically, capital can increase confidence and the perception of individual control over the ability to start a business (Lestari & Wahyuni, 2020).

However, the relationship between capital and entrepreneurial attitudes still shows mixed results. Several studies have found that capital assistance can increase individual motivation and optimism towards businesses (Rahmawati & Hidayat, 2022). In contrast, other research shows that capital does not directly affect attitudes, especially if individuals do not have mental readiness or business experience (Nuraini, 2021).

In this context, capital is more of a supportive external factor, but it does not always form a direct attitude. Therefore, the influence of capital assistance on entrepreneurial attitudes needs to be empirically tested in the local context.

H2: Capital assistance has a positive effect on entrepreneurial attitude.
Competency Based Training and Entrepreneurial Intention

Training is often considered a major factor in increasing interest in entrepreneurship. Rahman et al. (2021) found that entrepreneurship training has a significant influence on entrepreneurial intentions through increased knowledge and skills.

However, the results of other studies show that the relationship is not always straightforward. In some cases, training simply improves technical abilities without being followed by an increase in interest (Nguyen et al., 2023). This shows that training requires intermediate variables to be able to influence intentions effectively.

In this study, it is assumed that the influence of PBK on entrepreneurial interest is not always direct, but can occur through entrepreneurial attitudes.

H3: Competency Based Training (CBT) has a positive effect on entrepreneurial intention.

Capital Assistance and Entrepreneurial Intention

Capital is a factor that directly influences an individual's decision to start a business. According to Prasetyo et al. (2021), the availability of capital can reduce entry barriers in entrepreneurship, thereby increasing individuals' interest in entrepreneurship.

Other research also shows that capital assistance has a significant influence on entrepreneurial intentions, especially in low income groups (Yuliani & Harahap, 2022). In this context, capital serves as an enabler that allows individuals to realize their business ideas.

H4: Capital assistance has a positive and significant effect on entrepreneurial intention.

Entrepreneurial Attitude and Entrepreneurial Intention

Entrepreneurial attitude is the main determinant in the SDGs which has consistently been proven to influence entrepreneurial intentions. Individuals who have a positive attitude towards entrepreneurship tend to have a stronger desire to start a business (Ajzen, 1991).

Research by Mardiana and Lestari (2021) shows that entrepreneurial attitudes have a significant influence on entrepreneurial interest through increased self confidence and achievement orientation. This is also reinforced by the study of Nguyen et al. (2023) which affirms that attitude is a major mediator in the relationship between entrepreneurial education and intention.

H5: Entrepreneurial attitude has a positive and significant effect on entrepreneurial intention.

Mediating Role of Entrepreneurial Attitude

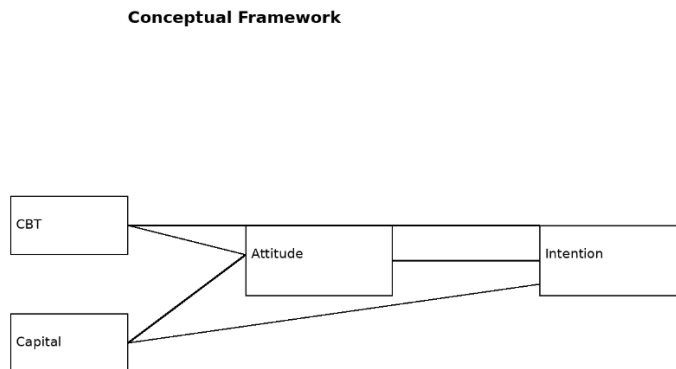
The mediating role of entrepreneurial attitudes is the main focus of this study. Based on SDGs, attitudes function as a psychological mechanism that connects external stimuli with behavioral intentions.

Previous research has shown that attitudes are able to mediate the relationship between training and entrepreneurial intention (Nurhadi, 2021; Nguyen et al., 2023). However, the role of mediation in the relationship between capital assistance and intent is still inconsistent.

In the context of this study, entrepreneurial attitudes were tested as mediators in two main relationships:

H6: Entrepreneurial attitude mediates the relationship between CBT and entrepreneurial intention. H7: Entrepreneurial attitude mediates the relationship between capital assistance and entrepreneurial intention.

Figure 1. Conceptual Framework



The structure of the model corresponds to:

1. Variable exogenous (CBT (X1), Capital Assistance (X2))
2. Variabel mediiasi: **Entrepreneurial Attitude (Z)**
3. Variabel endogen: **Entrepreneurial Intention (Y)**

Relationships:

1. $X1 \rightarrow Z$
2. $X2 \rightarrow Z$
3. $Z \rightarrow Y$
4. $X1 \rightarrow Y$
5. $X2 \rightarrow Y$

METHODOLOGY

This study employs a quantitative research design with a survey approach to examine the causal relationships between Competency Based Training (CBT), capital assistance, entrepreneurial attitude, and entrepreneurial intention. A quantitative approach is considered appropriate as the study aims to test hypotheses and measure the strength of relationships among variables using

statistical analysis. The research adopts an explanatory design, focusing on identifying direct and indirect effects within a structural model.

Research Setting and Population

The study was conducted at the Department of Transmigration and Manpower of Ogan Ilir Regency, Indonesia. This institution is responsible for implementing workforce development programs, including Competency Based Training (CBT), which aims to improve employability and encourage entrepreneurship among job seekers.

The population of this study consists of all participants who have attended CBT programs organized by the department. These programs cover various vocational fields, including tailoring, culinary arts, mechanical services, and other technical skills relevant to local labor market needs. Based on institutional data, the total population comprises approximately 240 training participants .

Sampling Technique and Sample Size

This study uses a probability sampling approach, specifically proportionate stratified random sampling. This technique is employed to ensure that each subgroup within the population is adequately represented, considering the diversity of training programs and participant backgrounds.

The sample size was determined using the Slovin formula with a tolerance error of 5%, resulting in a total sample of 150 respondents. This sample size is considered sufficient for Structural Equation Modeling (SEM) analysis, particularly using the Partial Least Squares (PLS) approach, which is suitable for relatively small to medium sample sizes and complex models.

Data Collection Method

Data were collected through a structured questionnaire distributed to respondents who had completed CBT programs. The questionnaire was designed based on established theoretical constructs and adapted from previous empirical studies to ensure content validity.

All items were measured using a five point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The use of a Likert scale allows for capturing respondents' perceptions, attitudes, and intentions in a quantifiable manner.

The data collection process was conducted directly through field distribution, ensuring that respondents fully understood each question and minimizing response bias. Prior to full scale data collection, a pilot test was conducted to assess the clarity and reliability of the instrument.

Operational Definition of Variables

This study involves four main variables:

1. **Competency Based Training (CBT) (X1)** CBT refers to a structured training program designed to develop participants' competencies, including knowledge, technical skills, and work attitudes. Indicators include training relevance, instructor quality, training facilities, and skill acquisition.
2. **Capital Assistance (X2)** Capital assistance refers to financial or material support provided to participants to initiate or develop business activities.

Indicators include adequacy of capital, accessibility, utilization, and sustainability of financial support.

3. **Entrepreneurial Attitude (Z)** Entrepreneurial attitude reflects an individual's psychological readiness to engage in entrepreneurial activities. Indicators include risk taking, self confidence, innovativeness, achievement orientation, and independence.
4. **Entrepreneurial Intention (Y)** Entrepreneurial intention represents the individual's willingness and commitment to start a business. Indicators include desire to own a business, readiness to take action, and long term entrepreneurial goals.

Data Analysis Technique

The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). This method is chosen due to its ability to handle complex models with multiple constructs, including mediating variables, and its suitability for predictive analysis.

The analysis was conducted in two main stages:

1. Measurement Model Evaluation (Outer Model)

The outer model evaluation aims to assess the validity and reliability of the measurement instruments. The following criteria were applied:

1. **Convergent Validity:** Assessed using outer loadings (> 0.70) and Average Variance Extracted ($AVE > 0.50$)
2. **Discriminant Validity:** Evaluated using the Fornell Larcker criterion and cross loadings
3. **Reliability:** Measured using Cronbach's Alpha and Composite Reliability (> 0.70)

These tests ensure that the indicators accurately measure their respective constructs and that the measurement model is statistically sound.

2. Structural Model Evaluation (Inner Model)

The inner model evaluation examines the relationships between latent variables and tests the proposed hypotheses. The following metrics were used:

1. **Coefficient of Determination (R^2):** Indicates the explanatory power of the model
2. **Effect Size (f^2):** Measures the impact of each exogenous variable on endogenous variables
3. **Predictive Relevance (Q^2):** Assesses the model's predictive capability
4. **Path Coefficients:** Evaluated using bootstrapping to determine significance (p -value < 0.05)

Mediation Analysis

To test the mediating role of entrepreneurial attitude, indirect effects were analyzed using the bootstrapping procedure in PLS-SEM. Mediation is considered significant if the indirect effect between independent and dependent variables through the mediator is statistically significant.

The study distinguishes between:

1. **Full mediation:** when the direct effect becomes insignificant after including the mediator

2. **Partial mediation:** when both direct and indirect effects are significant

This approach allows for a deeper understanding of the mechanism through which CBT and capital assistance influence entrepreneurial intention.

Justification for Using PLS-SEM

PLS-SEM is particularly suitable for this study for several reasons. First, the research model involves multiple latent variables and mediation effects, which require a robust analytical approach. Second, PLS-SEM does not require strict assumptions of normal data distribution, making it appropriate for survey based research. Third, the method is widely used in entrepreneurship and human resource development studies due to its predictive orientation (Hair et al., 2021).

Ethical Considerations

This study adheres to ethical research standards. Respondents were informed about the purpose of the study and assured that their responses would be kept confidential and used solely for academic purposes. Participation was voluntary, and respondents had the right to withdraw at any time.

RESEARCH RESULT

This section presents the results of data analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM). The analysis was conducted systematically, starting from the evaluation of the measurement model (outer model) followed by the structural model (inner model) to test the proposed hypotheses.

Measurement Model Evaluation

The measurement model assessment aims to ensure that all constructs used in this study meet the criteria of validity and reliability. Convergent validity was evaluated through outer loading values, where all indicators demonstrated loadings above the recommended threshold of 0.70, indicating that each indicator adequately represents its respective construct.

In addition, the Average Variance Extracted (AVE) values for all variables exceeded 0.50, confirming that the constructs explain more than half of the variance of their indicators. This result indicates that the measurement model has satisfactory convergent validity.

Discriminant validity was assessed using the Fornell Larcker criterion, which shows that the square root of AVE for each construct is higher than its correlation with other constructs. This confirms that each variable is empirically distinct and measures a unique concept.

Reliability testing was conducted using Cronbach's Alpha and Composite Reliability. All constructs showed values above 0.70, indicating strong internal consistency. These results collectively confirm that the measurement model is robust and suitable for further structural analysis.

Structural Model Evaluation

The structural model evaluation focuses on examining the relationships between variables and testing the research hypotheses. The model's explanatory power is reflected in the coefficient of determination (R^2).

The R^2 value for entrepreneurial attitude indicates that a substantial proportion of its variance is explained by Competency Based Training (CBT) and capital assistance. Meanwhile, the R^2 value for entrepreneurial intention shows that it is strongly influenced by CBT, capital assistance, and entrepreneurial attitude.

The predictive relevance (Q^2) values are above zero, indicating that the model has adequate predictive capability. Furthermore, effect size (f^2) analysis reveals that CBT has a strong effect on entrepreneurial attitude, while entrepreneurial attitude has a substantial effect on entrepreneurial intention.

Hypothesis Testing

Hypothesis testing was conducted using bootstrapping procedures to evaluate the significance of path coefficients. The results are summarized in table 1.

Table 1. Summary of Hypothesis Testing

Hypothesis	Relationship	Result
H1	CBT → Entrepreneurial Attitude	Supported
H2	Capital Assistance → Entrepreneurial Attitude	Not Supported
H3	CBT → Entrepreneurial Intention	Not Supported
H4	Capital Assistance → Entrepreneurial Intention	Supported
H5	Entrepreneurial Attitude → Entrepreneurial Intention	Supported
H6	CBT → Attitude → Intention	Supported
H7	Capital → Attitude → Intention	Not Supported

Direct Effects Analysis

The results show that Competency Based Training (CBT) has a positive and significant effect on entrepreneurial attitude. This indicates that training programs successfully shape participants' psychological readiness, including confidence, risk taking ability, and innovative thinking.

However, CBT does not have a significant direct effect on entrepreneurial intention. This finding suggests that technical training alone is insufficient to directly motivate individuals to start a business. Instead, its influence operates indirectly through changes in attitude.

Capital assistance, on the other hand, shows a significant direct effect on entrepreneurial intention. This indicates that financial support plays a crucial role in enabling individuals to consider entrepreneurship as a viable option. Interestingly, capital assistance does not significantly influence entrepreneurial attitude, implying that financial resources do not necessarily shape psychological readiness.

Entrepreneurial attitude itself has a strong and significant effect on entrepreneurial intention. This finding reinforces the central role of psychological factors in determining entrepreneurial behavior.

Indirect Effects and Mediation Analysis

The mediation analysis provides deeper insights into the mechanism through which CBT and capital assistance influence entrepreneurial intention. The results indicate that entrepreneurial attitude significantly mediates the relationship between CBT and entrepreneurial intention. This suggests that CBT contributes to entrepreneurial intention only when it successfully builds a positive entrepreneurial attitude. In this case, the mediation can be categorized as full mediation, as the direct effect of CBT on intention is not significant.

In contrast, entrepreneurial attitude does not mediate the relationship between capital assistance and entrepreneurial intention. This indicates that capital assistance influences intention directly rather than through psychological factors. In other words, financial support acts as an enabling factor rather than a transformative one.

Model Interpretation

The findings reveal two distinct pathways influencing entrepreneurial intention:

1. **Psychological Pathway (CBT → Attitude → Intention)** CBT influences intention indirectly through the development of entrepreneurial attitude. This highlights the importance of incorporating mindset building components in training programs.
2. **Instrumental Pathway (Capital → Intention)** Capital assistance directly influences intention without requiring attitudinal change. This reflects the practical role of financial resources in reducing barriers to entrepreneurship.

This dual path mechanism provides a more nuanced understanding of how different interventions contribute to entrepreneurial outcomes.

Key Empirical Insights

Several important insights can be derived from the findings:

First, the effectiveness of CBT depends largely on its ability to transform participants' attitudes rather than merely enhancing technical skills. This suggests that training programs should integrate soft skills development, such as motivation, creativity, and risk management.

Second, capital assistance is a critical factor in stimulating entrepreneurial intention, but its impact is primarily functional rather than psychological. Therefore, financial support programs should be complemented with mentoring and capacity building initiatives.

Third, entrepreneurial attitude emerges as a key determinant and mediator, confirming its central role within the Theory of Planned Behavior framework.

DISCUSSION

This study provides a comprehensive understanding of how Competency Based Training (CBT) and capital assistance influence entrepreneurial intention through the mediating role of entrepreneurial attitude. The findings reveal a nuanced relationship between structural interventions and psychological factors, which can be interpreted within the framework of the Theory of Planned Behavior (TPB).

The Role of Competency Based Training in Shaping Entrepreneurial Attitude

The results demonstrate that CBT has a significant positive effect on entrepreneurial attitude. This finding supports the fundamental premise of TPB (Ajzen, 1991), which emphasizes that attitude is shaped by individuals' beliefs and experiences. In the context of this study, CBT serves as a structured learning experience that enhances participants' confidence, knowledge, and perceived capability in entrepreneurship.

This finding is consistent with previous studies such as Kalu and Ugwu (2022), which found that entrepreneurship training significantly improves entrepreneurial attitude by fostering self efficacy and risk taking behavior. Similarly, Widiyatmoko (2021) argues that competency based training integrates knowledge, skills, and attitudes, making it an effective tool for behavioral transformation.

However, the results also suggest that the effectiveness of CBT lies not merely in technical skill acquisition but in its ability to internalize entrepreneurial values. This aligns with Werner and DeSimone (2012), who emphasize that training programs must go beyond skill transfer and address behavioral competencies to produce meaningful outcomes.

In the context of Ogan Ilir, this finding indicates that CBT programs implemented by the Department of Transmigration and Manpower have succeeded in influencing participants' mindset, even though their impact on actual entrepreneurial intention requires further mechanisms.

The Limited Role of Capital Assistance in Influencing Entrepreneurial Attitude

Contrary to initial expectations, capital assistance does not significantly influence entrepreneurial attitude. This finding suggests that financial support alone is insufficient to shape psychological readiness for entrepreneurship.

This result contrasts with studies by Rahmawati and Hidayat (2022), which found that financial support can increase motivation and optimism among entrepreneurs. However, it aligns with Nuraini (2021), who argues that capital assistance does not automatically lead to attitudinal change, particularly when recipients lack prior entrepreneurial orientation.

From a TPB perspective, this finding can be explained by the distinction between external resources and internal cognitive evaluation. Capital assistance

represents an external enabling factor, but it does not directly influence how individuals perceive entrepreneurship unless accompanied by experiential learning or mindset development.

This insight is particularly relevant in the local context, where many training participants may receive capital but lack the confidence or motivation to utilize it effectively. Therefore, capital assistance should not be viewed as a standalone intervention but as part of a broader ecosystem that includes training, mentoring, and psychological support.

The Absence of Direct Effect of CBT on Entrepreneurial Intention

One of the most critical findings of this study is that CBT does not have a direct significant effect on entrepreneurial intention. This result challenges the common assumption that training automatically leads to increased intention.

This finding contradicts studies such as Rahman et al. (2021), which reported a direct positive relationship between training and entrepreneurial intention. However, it supports Nguyen et al. (2023), who found that the effect of training on intention is mediated by psychological factors, particularly attitude.

From a theoretical standpoint, this result reinforces the TPB framework, where attitude acts as a necessary intermediary between external stimuli and behavioral intention. Training may enhance knowledge and skills, but without a corresponding shift in attitude, individuals may not develop the intention to act.

In practical terms, this finding highlights a critical gap in training program design. Many CBT programs focus heavily on technical competencies while neglecting the development of entrepreneurial mindset. As a result, participants may become skilled but remain risk averse or uncertain about starting a business.

The Direct Impact of Capital Assistance on Entrepreneurial Intention

In contrast to CBT, capital assistance has a significant direct effect on entrepreneurial intention. This finding indicates that financial resources play a crucial role in reducing barriers to entry and enabling individuals to consider entrepreneurship as a viable option.

This result is consistent with Prasetyo et al. (2021) and Yuliani and Harahap (2022), who found that access to capital significantly increases individuals' willingness to start a business. Capital reduces financial constraints, which are often cited as the primary obstacle to entrepreneurship.

From a TPB perspective, this can be interpreted through the lens of perceived behavioral control. Capital assistance enhances individuals' perception that they have the necessary resources to perform the behavior, thereby increasing their intention.

However, the direct nature of this relationship also suggests that capital driven intention may be pragmatic rather than deeply internalized. In other words, individuals may express intention because they have the means, not necessarily because they have a strong entrepreneurial mindset.

Entrepreneurial Attitude as a Key Determinant of Intention

The findings confirm that entrepreneurial attitude has a strong and significant effect on entrepreneurial intention. This is one of the most robust relationships identified in the study and strongly supports the TPB framework.

This result is consistent with numerous studies, including Mardiana and Lestari (2021) and Nguyen et al. (2023), which emphasize that attitude is a primary determinant of entrepreneurial intention. Individuals who perceive entrepreneurship positively are more likely to engage in entrepreneurial activities.

In the context of this study, entrepreneurial attitude encompasses key dimensions such as risk taking, innovativeness, self confidence, and achievement orientation. These attributes are essential for overcoming uncertainty and sustaining entrepreneurial efforts.

This finding underscores the importance of psychological readiness in entrepreneurship development. Without a strong entrepreneurial attitude, external support such as training and capital may not translate into actual behavior.

The Mediating Role of Entrepreneurial Attitude

The mediation analysis reveals that entrepreneurial attitude fully mediates the relationship between CBT and entrepreneurial intention. This finding provides strong empirical support for the TPB framework and highlights the central role of attitude as a psychological mechanism.

This result is consistent with studies by Nurhadi (2021) and Nguyen et al. (2023), which demonstrate that training influences intention indirectly through attitude. It confirms that the effectiveness of CBT depends on its ability to shape participants' mindset.

On the other hand, entrepreneurial attitude does not mediate the relationship between capital assistance and entrepreneurial intention. This indicates that capital operates through a different mechanism, primarily as an enabling factor rather than a transformative one.

This dual mechanism—psychological (CBT → attitude → intention) and instrumental (capital → intention)—represents a key contribution of this study. It provides a more comprehensive understanding of how different interventions influence entrepreneurial outcomes.

Theoretical and Practical Implications

From a theoretical perspective, this study extends the application of TPB by integrating structural variables such as training and capital into the model. It demonstrates that external interventions influence intention through different pathways, depending on their nature.

From a practical perspective, the findings suggest that entrepreneurship development programs should adopt an integrated approach. Training programs must incorporate mindset development, while capital assistance should be accompanied by mentoring and guidance.

In the context of Ogan Ilir, this implies that the Department of Transmigration and Manpower should redesign CBT programs to include

behavioral and motivational components. Similarly, capital assistance programs should ensure that recipients are adequately prepared to utilize financial resources effectively.

CONCLUSIONS AND RECOMMENDATIONS

This study reveals that the relationship between Competency Based Training (CBT), capital assistance, entrepreneurial attitude, and entrepreneurial intention operates through two distinct mechanisms: a psychological pathway and an instrumental pathway. CBT significantly influences entrepreneurial attitude but does not directly affect entrepreneurial intention, indicating that its primary role lies in shaping participants' mindset rather than directly triggering entrepreneurial action. In contrast, capital assistance has a direct effect on entrepreneurial intention but does not significantly influence entrepreneurial attitude, suggesting that financial support functions as an enabling factor without transforming psychological readiness.

Entrepreneurial attitude emerges as a key determinant of entrepreneurial intention and fully mediates the relationship between CBT and intention, confirming the central role of attitude within the Theory of Planned Behavior. However, no mediating effect is observed in the relationship between capital assistance and entrepreneurial intention, reinforcing the distinction between behavioral and structural drivers. Overall, the findings highlight a dual path mechanism: CBT influences intention indirectly through attitude formation, while capital assistance directly facilitates entrepreneurial intention.

Based on these findings, CBT programs should be redesigned to prioritize behavioral transformation by integrating entrepreneurial mindset development, experiential learning, and simulation based training, with effectiveness measured through changes in attitude rather than technical skills alone. Training programs must also be complemented by structured post training interventions such as mentoring, coaching, and incubation to ensure that attitudinal changes translate into actual entrepreneurial activities.

Capital assistance should be implemented using a readiness based approach, where financial support is allocated to participants who demonstrate sufficient entrepreneurial attitude and commitment, rather than through uniform distribution. Furthermore, stronger integration between CBT and capital assistance is required through a sequential model in which training builds psychological readiness and capital enables execution.

Finally, program evaluation systems should incorporate behavioral indicators such as risk taking propensity, business initiation, and persistence, while institutional strategies should adopt an ecosystem based approach involving collaboration with financial institutions, mentors, and entrepreneurial networks to ensure sustainable outcomes.

ADVANCED RESEARCH

This study provides important insights into the relationship between Competency Based Training (CBT), capital assistance, entrepreneurial attitude,

and entrepreneurial intention. However, several limitations must be acknowledged, which open opportunities for further research development.

First, this study is limited to a specific institutional and regional context, namely participants of CBT programs at the Department of Transmigration and Manpower of Ogan Ilir Regency. While this context provides a strong empirical basis, the findings may not be fully generalizable to other regions with different socio economic characteristics, institutional capacities, or policy frameworks. Future research should expand the scope by conducting comparative studies across multiple regions or provinces to examine whether the dual path mechanism identified in this study psychological and instrumental pathways remains consistent in different settings.

Second, this study adopts a cross sectional design, where data were collected at a single point in time. As a result, the study captures entrepreneurial intention rather than actual entrepreneurial behavior. This creates a limitation in understanding whether intention translates into real business creation and sustainability. Future research is encouraged to employ a longitudinal design to track participants over time, particularly in observing the transition from intention to actual entrepreneurial activity, business survival, and growth performance.

Third, this study focuses on entrepreneurial attitude as the sole mediating variable within the framework of the Theory of Planned Behavior. While attitude has been proven to play a significant role, other psychological constructs such as self efficacy, motivation, perceived behavioral control, and subjective norms were not included in the model. Future studies should develop a more comprehensive model by incorporating these variables to provide a deeper and more holistic understanding of entrepreneurial intention formation.

Fourth, the measurement of capital assistance in this study is limited to general indicators such as accessibility and adequacy. It does not differentiate between types of capital (e.g., grants, loans, in kind support) or examine the governance and utilization of funds. Future research should adopt a more granular approach by analyzing the effectiveness of different capital schemes and their interaction with individual capabilities and business outcomes.

Fifth, this study does not explicitly examine the role of post training support mechanisms such as mentoring, coaching, or business incubation. The findings indicate that CBT alone does not directly influence entrepreneurial intention, suggesting that additional interventions may be necessary. Future research should investigate the moderating or mediating role of post training support systems in strengthening the relationship between training and entrepreneurial outcomes.

Sixth, from a methodological perspective, this study utilizes PLS-SEM, which is suitable for prediction oriented analysis but has limitations in theory confirmation compared to covariance based SEM. Future studies may consider using a mixed method approach, combining quantitative modeling with qualitative insights such as in depth interviews or case studies to enrich the interpretation of findings.

Finally, future research should explore the integration of digital entrepreneurship and technological adoption within CBT programs. Given the increasing role of digital platforms in business development, examining how digital skills and digital mindset influence entrepreneurial intention could provide a more contemporary contribution to the field.

In summary, future research should move beyond examining direct relationships and focus on dynamic, multi level, and longitudinal approaches that integrate psychological, structural, and technological dimensions. Such developments are essential to build a more comprehensive and context sensitive understanding of entrepreneurship development, particularly in regional and policy driven settings.

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