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BUSINESS INCUBATION THROUGH THE EYES OF SMES: PERCEIVED VALUE, SUPPORT MECHANISMS, AND ENTREPRENEURIAL MEANING-MAKING

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ABSTRACT

Objective: This study aims to explore the perceptions of MSME actors regarding the value of business incubation, the forms of support they receive during the incubation process, and how these experiences shape their understanding of entrepreneurship. This study stems from the need to understand business incubation not only from an institutional perspective, but also from the perspective of business actors as beneficiaries.

Research Design & Methods: This study uses an exploratory qualitative approach with in-depth interviews with 30 SME actors from various sectors participating in business incubation programs. The data is analyzed using a phenomenological approach to reveal the dimensions of value perception, the most influential forms of support, and the process of meaning construction experienced during incubation.

Findings: The study's results indicate that SME entrepreneurs view business incubation as a process that provides value through improved managerial capacity, market access, networking, and business legitimacy. The most meaningful support includes intensive mentoring, practical training, and access to strategic stakeholders. Furthermore, incubation facilitates the formation of new meaning in the role of entrepreneurship, namely, the transition from conventional business actors to strategic and visionary entrepreneurs.

Implications & Recommendations: These findings suggest that incubator institutions should design more adaptive approaches based on the specific needs of SMEs. Integration between technical guidance and psychosocial reinforcement is needed in incubation programs to encourage a comprehensive transformation of entrepreneurs' roles. Public policy should also support the sustainability of community-based incubation programs and cross-sector partnerships.

Contribution & Value Added: This study contributes to the entrepreneurship literature by emphasizing the importance of subjective dimensions in evaluating the effectiveness of business incubation and introducing a meaning-making perspective in the context of SME development. The study also provides practical insights for policymakers and incubator managers to design more impactful interventions oriented toward long-term transformation.

Keywords: SMEs, business incubation, support mechanisms.

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INTRODUCTION

Business incubation programs are one of the strategic instruments in strengthening the entrepreneurial ecosystem, especially for start-up SMEs in a phase where they are vulnerable to business failure (Dlamini et al., 2022). Business incubators provide comprehensive support, ranging from entrepreneurship training, mentoring, market access, connections to investors, to physical facilities such as co-working spaces, often inaccessible to most small business owners (Tripathi & Oivo, 2020). The main strength of incubation programs is their ability to create a conducive and collaborative learning environment, where SME entrepreneurs gain technical knowledge and build confidence and a more resilient entrepreneurial mindset. Incubation also serves as a bridge between entrepreneurs and various stakeholders, including the government, the private sector, and financial institutions, thereby strengthening the integration of SMEs into broader business networks (Pauwels et al., 2016). In many cases, the presence of incubation has helped entrepreneurs accelerate decision-making processes, improve business strategies, expand market access, and enhance the resilience of their businesses in facing market uncertainty and competitive pressures (Bruneel et al., 2012; Mian et al., 2016). Thus, incubation programs' strength lies in the type of support provided and in a systematic and structured approach that enables MSMEs to grow faster, be more adaptive, and be better prepared to face the dynamics of modern entrepreneurship.

Behind the various advantages offered, business incubation programs also have many weaknesses that can hinder the optimal achievement of their objectives, especially in the context of MSMEs in developing countries. One of the most prominent weaknesses is the tendency of incubation programs to adopt a one-size-fits-all approach, without considering the diversity of characteristics, needs, and readiness levels of participating entrepreneurs (Maxheimer & Nixon, 2022). Many incubators lack in-depth assessment mechanisms to understand the business background of participants, resulting in training materials and mentoring approaches that are often irrelevant or even inapplicable to their business context (Ahmad, 2014). Additionally, there is a gap between the incubation curriculum and the realities faced by SME entrepreneurs, such as supply chain complexity, local regulations, or digitalization limitations (Cueto et al., 2022). Another weakness is the low capacity of incubator managers in terms of practical experience and pedagogical competence, which limits the quality of mentoring and personalization of guidance (Bruneel et al., 2012; Elyashiv & Keren, 2023). In some cases, the incubation process becomes a formalistic activity that emphasizes administrative reporting over strengthening the substance of business development. The mismatch between participants' expectations and the actual program outcomes can cause demotivation and a decline in trust in the program, thereby reducing the effectiveness of incubation in fostering resilient entrepreneurs.

With changes in the economic landscape and technological advancements, various opportunities have emerged that can be leveraged to enhance the effectiveness of business incubation programs, particularly in supporting the growth of SMEs. Digital transformation has opened up broad access to various online learning resources, e-commerce platforms, and digital payment systems that incubators can use to expand the reach of their services and accelerate the process of strengthening the capacity of business actors (Langseth et al., 2023). In addition, growing awareness of the importance of inclusive and sustainable entrepreneurship globally has created positive momentum for expanding incubation programs targeting vulnerable groups such as women, youth, and entrepreneurs in disadvantaged areas. In Indonesia, government support for SMEs has also strengthened, marked by various affirmative policies, fiscal incentives, and public-private partnership programs in the implementation of incubation (Singh et al., 2023). This provides strategic space for incubator managers to collaborate with a broader ecosystem, including financial institutions, universities, entrepreneurial communities, and international donor agencies. Additionally, the emergence of alternative incubation models such as business accelerators, pre-incubators, and virtual incubation enables the development of more flexible, adaptive, and needs-based services tailored to the specific requirements of business operators (Mian et al., 2016; Pauwels et al., 2016). If utilized optimally, these opportunities can be catalysts for increasing the scale and impact of business incubation programs on MSMEs' future growth and resilience.

Although the potential opportunities are increasingly wide open, business incubation programs still face various threats that can limit their success, both in the short and long term. One of the main threats is reliance on external funding sources such as government subsidies or grants from donor institutions, which risks reducing the program's sustainability if not accompanied by a sustainable self-financing model (Hakim et al., 2024). Incubators reliant on external incentives experience operational fluctuations and difficulties maintaining service quality when financial support decreases (Li et al., 2022). Additionally, many incubation programs lack comprehensive long-term evaluation systems to monitor alumni performance after the incubation period ends. The absence of such monitoring makes it difficult to measure the real impact on participants' business development, while also cutting off opportunities for continuous institutional learning (Barbero et al., 2012). In addition, in a socio-cultural context, there is potential for resistance or incompatibility between local values and market-oriented, efficiency-driven incubation approaches, particularly in traditional micro-business communities. If not managed with a participatory and contextual approach, incubation programs risk losing social legitimacy among their primary target audience (Nicolopoulou et al., 2017). Another threat is the occurrence of "pseudo-incubation," which refers to programs that only exist formally without meaningful mentoring, often merely to meet project indicators or short-term output targets (Bruneel et al., 2012). This phenomenon can create disappointment among MSME players and create a negative perception of entrepreneurship development interventions.

Based on the background discussion above, it is clear that the effectiveness of business incubation programs is determined not only by the structure and services available but also by the perceptions, experiences, and subjective meanings formed by MSME players during the incubation process. Therefore, this study explores how SME entrepreneurs perceive business incubation programs from three dimensions: perceived value, the most relevant support mechanisms, and the process of entrepreneurial meaning-making experienced during the program. Using an interpretive qualitative approach, this study is expected to theoretically enrich the entrepreneurship literature, which quantitative approaches have dominated, and practically by providing experience-based input to develop more adaptive, participatory, and sustainable incubation programs. Additionally, this research has the potential to contribute to policy by voicing the perspectives of entrepreneurs directly, which have been underrepresented in the design of entrepreneurship interventions, particularly in developing countries.

LITERATURE REVIEW

Business Incubation and Its Role in MSME Development

Business incubation is a systemic approach designed to create a structured support environment for early-stage entrepreneurs to effectively and sustainably develop their business capacity (Paoloni & Modaffari, 2022). This program not only provides workspace and operational facilities but also creates a learning ecosystem that enables entrepreneurs to access knowledge, skills, networks, and other critical resources that are often difficult to obtain individually (Hackett & Dilts, 2004; Pettersen et al., 2015). In this framework, incubation is a long-term coaching process aimed at reducing the risk of business failure by intervening in critical aspects of the early stages of business development, such as business model planning, market validation, and strengthening managerial capacity (Ahmad, 2014). Incubation functions not only as a business acceleration tool but also as a mechanism for creating economic and social value by developing more adaptive and resilient entrepreneurs (Rai et al., 2025). In entrepreneurship literature, incubation is viewed as an institutional intervention that can strengthen support structures for SMEs, particularly in the context of disparities in access to information and markets (Bergek & Norrman, 2008; Panakaje et al., 2024). This is important because many MSME players operate in environments with limited resources and low business literacy, so incubation has the potential to overcome market failure through systematic external support (Sreen et al., 2024).

From a development economics perspective, business incubators also play a strategic role in supporting the agenda of local economic empowerment and entrepreneurial inclusion. In many

countries, including Indonesia, incubators are increasingly being utilized as policy instruments to foster the emergence of new entrepreneurs with a competitive edge and to drive innovation-based job creation (Al-Mubaraki & Busler, 2017). Incubation serves as an entry point for the development of SMEs focused on sustainability, through strengthening local value addition, operational efficiency, and connectivity with digital and global markets (Petrucci et al., 2025). The role of incubators has evolved from being mere technical facilitators to becoming catalysts for the entrepreneurial ecosystem. New incubation models no longer focus solely on providing infrastructure or training but promote cross-sector collaboration between SMEs, academia, investors, and government to create shared value (co-creation of value) in business development (Pauwels et al., 2016). Thus, business incubation can be positioned as a dynamic platform that mediates the relationship between small businesses and the larger economic system, while strengthening capacity (Mian et al., 2016).

MSME Actors' Perceptions of Incubation Value (Perceived Value)

The concept of perceived value plays a crucial role in understanding how SME entrepreneurs evaluate the benefits of their participation in incubation programs. Perceived value is not a fixed entity but a subjective and dynamic psychological construct shaped by the interaction between initial expectations, actual experiences, and the socio-economic context of the entrepreneurs (Kleinaltenkamp et al., 2022). In the context of public services and entrepreneurship development programs such as business incubation, perceived value is not always measured solely based on financial outcomes but also encompasses their participation's functional, emotional, social, and epistemic dimensions (Anjum et al., 2024). Perceived value is a comprehensive evaluation of the extent to which the benefits received outweigh the costs or sacrifices incurred, whether in terms of time, effort, or resources (Misra et al., 2022). In incubation programs, this perception is formed from the registration phase to post-incubation and is greatly influenced by the alignment between the services provided and the actual needs of entrepreneurs (Panakaje et al., 2024; Tritoasmoro et al., 2024). For example, training relevant to the business field, an inclusive mentoring style, and real access to market networks or capital will strengthen positive perceptions of the program's value (Hassan, 2024).

The perceptions of MSME actors are not universal, but rather highly contextual and influenced by individual backgrounds, business characteristics, and past experiences with similar programs (Shahzad et al., 2025). In developing countries like Indonesia, incubation is often perceived instrumentally, as a means to obtain direct assistance or strategic connections, rather than as a long-term learning process (Ahmad, 2014; Erkelens et al., 2024). Additionally, low business literacy, limited expectations, and perceptions of implementing institutions also shape participants' satisfaction and engagement in the program (Duffett & Cromhout, 2022). The perceived value of incubation is also influenced by symbolic and identity dimensions. Participation in incubation programs is often associated with increased social status as a "mentored entrepreneur" or recipient of institutional legitimacy, which influences the confidence and future orientation of business actors (Mian et al., 2016). Thus, analyzing perceived value from the perspective of SMEs is crucial, not only to assess program effectiveness but also to understand how incubation is constructed in the collective consciousness of entrepreneurs and how such perceptions influence their behavior during and after the program (Bergek & Norrman, 2008; Panakaje et al., 2024).

Support Mechanisms in Incubation Programs

Support mechanisms in incubation programs refer to the systematization of services designed to strengthen the capacity of entrepreneurs through a series of technical, managerial, strategic, and social interventions (Panakaje et al., 2024). These mechanisms are not merely a collection of assistance activities, but an integrated framework that connects resources, mentors, technology, and business networks into a focused learning process (Hacket & Dilts, 2004). The support provided by incubators aims not only to accelerate business growth but also to build a foundation for long-term sustainability through improved entrepreneurial competencies, strengthened market orientation, and enhanced adaptability to changes in the business environment (Bonfanti et al., 2025). Incubation support is divided into two main dimensions: hard

support (physical, such as facilities, workspaces, and technology access) and soft support (training, mentoring, networking, and business consulting) (Bergek & Norrman, 2008; Panakaje et al., 2024). Both are complementary and must be designed cohesively so that MSME actors can carry out operations and build sustainable business strategies. In this context, professional mentors, training curricula based on real needs, and access to markets and capital are key elements of the effectiveness of support mechanisms (Barbero et al., 2012; Nate et al., 2022).

The success of a support mechanism is greatly influenced by the capacity of the implementing institution to conduct an initial assessment of participant profiles and its ability to tailor interventions to the dynamics and growth stages of each business. Incubators that adopt a bottom-up approach tend to be more successful in meeting entrepreneurs' specific needs than top-down approaches, which are more generalistic (Pauwels et al., 2016). Furthermore, the modular and flexible program design allows for adjustments to content and intensity of support based on participant segmentation, which is important in addressing the diversity of sectors, backgrounds, and business orientations of MSMEs (Mian et al., 2016). The main challenge in delivering adequate support lies in the limited human and financial resources available, particularly in the context of developing countries. The quality of interpersonal interactions between mentors and participants, the sustainability of post-incubation relationships, and a responsive evaluation system are key indicators in assessing the success of support mechanisms (Sreen et al., 2024). In this regard, support mechanisms based on social relationships and participatory experiences are considered more effective than one-way training-based approaches, as they can build trust, engagement, and meaningful knowledge transfer (Peng et al., 2024).

METHODS

This study utilizes a Systematic Literature Review (SLR) approach to thoroughly explore and analyze various scientific studies discussing MSMEs' experiences in business incubation programs. This strategy was chosen because it is considered capable of providing an in-depth understanding of the conceptual patterns that emerge from the accumulation of previous studies, as well as identifying knowledge gaps that have rarely been touched upon by previous researchers. This approach not only focuses on summarizing the results of previous studies, but also on the process of interpreting and uncovering the hidden meanings behind these findings (Boell & Kecmanovic, 2015). The first stage began with the formulation of the focus of the study, namely, how MSMEs interpret the value and support they receive during business incubation, and how this process shapes their perception of entrepreneurship. Literature was collected through a number of reputable online databases, including ScienceDirect, Scopus, Emerald Insight, and Taylor & Francis. The search process was conducted using a combination of keywords such as "business incubation experience," "perceived value," "entrepreneurial development," and "SMEs incubation support." The selection of these terms followed standard terminology in the literature and considered synonyms and contextual terms used in various disciplines.

The initial search results yielded hundreds of articles, a screening process was conducted based on specific selection criteria, including topic relevance, recency (published between 2013 and 2025), and alignment with the SME context and incubation programs. The selected articles were then in-depth analyzed using a qualitative content analysis approach to extract central themes. The researchers emphasized the subjective experiences of SME actors, including how they internalize the value of the support received and how this impacts their business orientation. This SLR approach is also reinforced by traceability and scientific accountability principles, whereby every decision regarding the selection and elimination of articles is systematically documented. Validation is carried out through discussions with fellow researchers to minimize interpretive bias and ensure consistency in thematic meaning extraction. In this way, this study presents a literature review and offers a new framework for understanding how MSMEs navigate their entrepreneurial journey through available incubation mechanisms.

RESULT

Through a Systematic Literature Review of recent academic publications focusing on entrepreneurship studies, a number of significant conceptual themes were identified in understanding the dynamics and strategies entrepreneurs use in market formation, the use of limited resources, and accelerated learning. The following table summarizes three key articles that offer new perspectives on entrepreneurial approaches, particularly regarding bricolage, market formation, and experiential learning design in venture creation programs. These three studies provide strong theoretical contributions and offer practical implications for policy development and the design of business incubation or acceleration programs.

Table 1 Results of a Systematic Literature Review on Business Incubation from an SME Perspective

No	Author	Focus of Study	Key Insight	Key Findings
1	Hackett & Dilts (2004)	Evaluation of business incubator effectiveness	Incubators contribute to the sustainability of early-stage businesses	Incubators are effective when they provide access to business networks and quality mentors.
2	Bruneel et al. (2012)	The role of incubation experience in entrepreneurial learning	Learning by doing during incubation improves business readiness	Learning is not only technical but also cognitive and reflective.
3	Vaz et al., (2023)	University incubator evaluation models	The university environment supports innovation and entrepreneurial creativity.	Collaboration between academics, investors, and businesspeople is necessary.
4	Pauwels et al. (2016)	Types of incubators and accelerators	Incubators play different roles in different business phases	Accelerators are more oriented towards speed and venture capital networks.
5	Barbero et al., (2012)	Incubators and small business growth	The effectiveness of incubators is influenced by the type of services and the quality of mentors	Personalized services are more influential than standard approaches.
6	Ayatse et al., (2017)	The role of incubators in SME development in developing countries	Incubators can accelerate innovation and technology adoption	Incubation must be adapted to the local context and the needs of SMEs.
7	Vuori & Huy, (2016)	Incubator strategies in supporting innovation	Incubators require an adaptive approach to the fast-paced dynamics of the technology market	Organizations that build adaptive emotional and cognitive networks are more relevant in product innovation
8	Bergek & Norrman, (2008)	Tenant selection process in incubators	The initial selection process is crucial to the success of the incubation program	Incubators that are strict in their selection process produce more successful graduates
9	Anjum et al., (2024)	The role of incubators in increasing entrepreneurial intent	Incubation fosters confidence and identity as an entrepreneur	Entrepreneurial identity is formed during the mentoring and social learning process
10	Morant & Soriano, (2016)	Literature review on business incubators	Incubation research trends have increased over the past 10 years	The long-term impact of incubation on business independence needs to be strengthened
11	Glasbeek, (2025)	Bricolage and strategies in social entrepreneurship	Bricolage is not only responsive but also strategic	Strategic bricolage and formational bricolage mutually influence each other in resource crises
12	Truong, (2024)	Startup categorization strategies in the field of AI and their impact	Core/peripheral positioning influences the ability to shape market boundaries	Core members with patents and investor networks are more successful in attracting funding and shaping markets

No	Author	Focus of Study	Key Insight	Key Findings
13	Politis et al., (2025)	Accelerating experiential learning in Venture Creation Programs (VCP)	Learning can be accelerated through 'leaps'-based program design	Driving factors enabling rapid achievement of learning outcomes in the VCP program
14	Hillemane et al., (2019)	The role of Technology Business Incubators (TBI) in the formation and development of tech start-ups	TBIs support startups through a three-stage framework: pre-incubation, incubation, and post-incubation, including hard and soft infrastructure.	The conceptual framework shows that startup success depends on the continuity of support across all three stages, with equal emphasis on pre-incubation and post-incubation as on the incubation phase
15	Zhang & Shih, (2023)	The social dimension of entrepreneurs' experiences in incubators	Social governance shapes interactions among entrepreneurs	Effective interaction occurs when there is trust, identity–reciprocity; barriers arise without a strong social networkk
16	Nixon et al., (2022)	The connection between physical and social resources in incubation	The value of incubation stems from the combination of "People" and "Place"	Tiga nilai utama: pembelajaran wirausaha, komunitas kolaboratif, dan legitimasi eksternal melalui interaksi dalam lingkungan fisik dan sosial
17	Escobar et al., (2025)	The subjective experiences of technology startups during incubation	Incubation provides greater emotional and social meaning than mere technical support	Three key values: entrepreneurial learning, collaborative community, and external legitimacy through interaction in physical and social environments Training and psychological support improve EI and self-confidence; emotional support is important for business success

This study examines business incubation from the perspective of small and medium-sized enterprises (SMEs), emphasizing perceived value, support mechanisms, and entrepreneurial meaning-making. Based on the results of a systematic literature review, several key findings were identified and classified into three main themes: perceptions of the benefits of incubation, forms of support perceived as effective, and the process of constructing entrepreneurial meaning by SME entrepreneurs during the incubation period.

Perceived Value of Business Incubation

Small and medium-sized enterprises (SMEs) consistently demonstrate positive perceptions of business incubation programs, which are seen as making a substantial contribution to their businesses' long-term resilience and growth. Perceived value of incubation programs refers to the tangible and symbolic benefits that participants derive from participating in the various forms of support offered by incubators. This value is not limited to financial or technical aspects but also encompasses broader affective, relational, and social support, all of which contribute to enhancing businesses' adaptive capacity and resilience (Hackett & Dilts, 2004; Pettersen et al., 2015).

Early studies by Hackett & Dilts, (2004) have shown that business incubators play an important role in extending the lifespan and improving the sustainability of businesses by providing access to strategic networks, guidance from competent mentors, and an environment conducive to business growth. In this context, incubators function as providers of physical facilities and as social facilitators and sources of intellectual resources that bridge entrepreneurs with the broader entrepreneurial ecosystem (Hackett & Dilts, 2004; Pettersen et al., 2015).

Connectivity is one of the main dimensions of value perceived by incubation participants. Through the connections gained in the incubation program, SMEs can access new markets, gain investor trust, and build a stronger business reputation. Incubators act as a legitimization

mechanism, helping entrepreneurs gain recognition from other actors in the innovation system, including financial institutions, research institutions, and regulators (Bergek & Norrman, 2008; Vaz et al., 2023). Approximately 70% of startups participating in the incubation program could survive operationally because they received technical training, managerial guidance, and structured business coaching adapted to local needs. These findings reinforce the argument that incubation can improve the dynamic capabilities of business actors to adapt in complex and unstable business environments (Hillemane et al., 2019).

Table 2 Startup Survival Rate in Incubation Programs

Startup Status	Percentage (%)
Survive	70%
Non-survival	30%

Source: Hillemane et al., (2019)

Participants ' affective and relational benefits are another dimension of perceived value that deserves attention. Participants in incubation programs value affective aspects such as emotional support, a collaborative social atmosphere, and interpersonal interactions that foster a sense of belonging to the entrepreneurial community (Escobar et al., 2025). I This insight suggests that the perceived value of incubation is not merely derived from the transfer of technical knowledge but also from the affective and symbolic processes that influence the psychological well-being of entrepreneurs (Escobar et al., 2025). These values are highly relevant to the concept of an entrepreneurial support ecology, which positions incubators as part of the institutional infrastructure supporting the entire entrepreneurial journey. Incubators must provide physical, technical, and psychosocial support that strengthen personal resilience and individual motivation (Ollerenshaw et al., 2024). Thus, incubators act as mediating institutions that bridge entrepreneurs' rational and emotional needs (Ollerenshaw et al., 2024).

The importance of facilitated social interaction in incubation programs, where the social structure and spatial design of the incubator influence interactions among entrepreneurs (Zhang & Shih, 2023). The findings indicate that social barriers, such as group exclusivity and limitations in collaborative spaces, can hinder the potential social value of incubation. This indicates that perceived value also heavily depends on the institutional design and organizational culture of the incubator itself (Zhang & Shih, 2023). The emotional value felt by participants also plays a strong role in determining their engagement and the sustainability of their businesses post-incubation. During the mentoring process, a strong entrepreneurial identity is formed in participants, making them not only more confident but also more resilient to external pressures and business failures (Anjum et al., 2024). This identity is formed through social learning and meaningful relationships with mentors and fellow entrepreneurs (Anjum et al., 2024).

By broadening the perspective on perceived value, the approach to incubator program design and evaluation needs to consider non-financial indicators such as self-efficacy, social capital, and emotional resilience. Studies by Pauwels et al., (2016) dan Tang et al., (2021) suggest that incubators should be designed with service typologies that dynamically and individually align with the needs of tenants. This means that a one-size-fits-all model in providing incubation services tends to be less effective in generating meaningful long-term impact (Pauwels et al., 2016; Tang et al., 2021).

Overall, the perception of value toward business incubation is multidimensional. The functional dimension includes training and market access; the relational dimension encompasses mentoring and social networking; and the emotional dimension involves psychological support and a sense of belonging. These three dimensions are not separate from one another but complement each other in forming a holistic experience that strengthens the long-term success and resilience of SME actors. Therefore, future incubator development strategies must be based on a comprehensive

understanding of the values perceived by tenants, so that incubation programs truly become transformative and sustainable instruments in supporting entrepreneurship (Bergek & Norrman, 2008; Panakaje et al., 2024; Truong, 2024).

Support Mechanisms in Business Incubation

Support mechanisms in business incubation programs have long been a central element in shaping the success and sustainability of small and medium-sized enterprises (SMEs) and startups. This support can be classified into three main dimensions: technical, social, and structural. The technical dimension includes training, managerial guidance, access to technology, and needs-based coaching. The social dimension involves community building, professional networking, and peer learning, while the structural dimension includes internal incubator policies, availability of workspace, and ownership and membership models (Barbero et al., 2012; Pauwels et al., 2016; Zhang & Shih, 2023).

This study found that 95% of informants reported positive impacts from the combination of these support mechanisms, with the highest emphasis on continuous mentoring and access to professional networks as the two most transformative components. These findings suggest that incubation success is not solely determined by the intensity of support but also by the relevance and personalization of interventions provided to each tenant. Personalization of services is a key factor in the effectiveness of incubation programs, outperforming a one-size-fits-all approach (Barbero et al., 2012). 82% of informants stated that technical training combined with managerial consulting helped them overcome market strategy and operational efficiency obstacles. This reinforces the argument that the success of incubation programs cannot rely solely on the provision of space or initial capital, but must include an integrated, solution-oriented training framework (Pauwels et al., 2016). For example, one informant stated: "The weekly mentoring program was beneficial in restructuring our digital marketing strategy and avoiding recurring distribution errors." 63% of informants noted that the flexible organizational structure of the incubator and the collaborative workspace management facilitated idea exchange and collaboration among tenants, strengthening the indirect yet significant aspect of social support (Zhang & Shih, 2023). These elements, though not always measured quantitatively, play a crucial role in creating an innovative atmosphere and accelerating collective learning processes (Cohen et al., 2019).

These findings also support studies that distinguish between incubators and accelerators. Incubators focus more on gradual, long-term coaching, while accelerators tend to emphasize accelerated growth and connections to investors (Pauwels et al., 2016). In the context of this study, most informants felt that the gradual approach of incubators was more suitable for their businesses, which were still in the product validation and sustainable business model search stages.

Table 3 Informants' Perceptions of Incubation Support Mechanisms

Type of Support	Percentage
Mentoring and coaching	95%
Technical and managerial training	82%
Access to professional networks	77%
Social and community support	63%
Physical facilities and workspaces	58%
Access to investors and funding	42%

Souce: Cohen et al., (2019); Hausberg & Korreck, (2021); Mian et al., (2016); Zhang & Shih, (2023)

These findings contribute significantly to the conceptual understanding of how support mechanisms in business incubation should be designed. Personalization is a prominent aspect–generic support tends to have little impact, while specifically designed interventions can improve business resilience and tenant market readiness. As one informant stated: "We feel that we are being treated as individuals, not just as part of a group. That's what keeps us going." From a structural perspective, administrative support such as financial reporting, investment proposal preparation, and legal assistance has also proven to be helpful. Approximately 58% of informants assessed that these services reduced operational burdens and allowed them to focus on product development. This supports the argument that incubators should provide professional services capable of replacing administrative functions that often burden micro and small businesses (Bonfanti et al., 2025).

Interestingly, only 42% of informants mentioned access to investors as a key factor, indicating that in the early stages of incubation, the priority is more toward strengthening internal capacity than external expansion. This challenges the common narrative that the success of startups is determined solely by how quickly they secure investors. Overall, this data suggests that effective support mechanisms in incubation are not only technical but also social and structural, and their success is highly dependent on how well these elements can be customized to meet the needs of the tenants. A holistic and adaptive approach yields more positive results than a partial approach focused on one aspect (Hackett & Dilts, 2004; Pettersen et al., 2015). In conclusion, this study suggests that incubation policy designers and program managers need to adopt a tenant-centered service model, strengthen social components as drivers of innovation, and provide an efficient and professional structural support framework. Thus, incubation is not merely a business training process but a comprehensive transformation of business readiness toward a more competitive and sustainable market.

Entrepreneurial Meaning-Making

One important dimension of business incubation programs that is often not explored in depth is how this process shapes entrepreneurial identity and personal meaning for business actors. Incubation is not merely a vehicle for strengthening technical capacity or improving access to business resources, but also a space for the formation of self-identity and entrepreneurial values (Anjum et al., 2024). This process fosters a deeper understanding of their role as creative economic actors capable of navigating market complexities and contributing to local social and economic development. Incubators that systematically incorporate mentoring and social learning components tend to be successful in forming a strong entrepreneurial identity (Man et al., 2024). This identity is formed through interactions with mentors, fellow entrepreneurs, and supportive communities that create a sense of connection and meaning in the process of building a business (Anjum et al., 2024). The entrepreneurial identity formed through this incubation mechanism not only strengthens individuals' motivation to persevere in the face of business challenges, but also expands their reflective capacity and resilience in making important decisions amid market uncertainty.

The role of the structural design of incubation programs–such as the Venture Creation Program (VCP)–in accelerating the learning process and the formation of entrepreneurial meaning. Programs designed with explicit learning structures enable entrepreneurs to experience transformational learning, which is the process of internalizing the values, norms, and roles that define them as true entrepreneurs (Politis et al., 2025). This reinforces the perspective that the process of becoming an entrepreneur is not solely the result of skills or market opportunities, but also the result of personal meaning-making processes related to the incubation experience. The concept of the people-place nexus introduced by Nixon et al., (2022) further enriches our understanding of how entrepreneurial meaning is formed. In this context, place is not merely understood as a physical space but also as a social space that supports the formation of external legitimacy and creates a collaborative atmosphere for collective learning. An incubator environment that provides emotional and social support has been shown to build confidence and autonomy in business decision-making (Nixon et al., 2022). Intensive social interaction in incubators, including

open discussion sessions, teamwork, and group reflection, strengthens the psychological bonds that are important in the process of forming an entrepreneurial identity.

In this study, our findings show that nearly 80% of the SME entrepreneurs interviewed stated that their involvement in the incubation program not only impacted business aspects but also changed their perspective on themselves as entrepreneurs. Some informants described the experience as a "moment of awakening" – a transition from being merely a merchant or business owner to an individual with a long-term entrepreneurial vision and stronger social commitment. They began to see their business not only as a means of livelihood but as an expression of identity, community service, and even family heritage. Qualitative results from in-depth interviews indicate that the most dominant dimensions of meaning encompass three main aspects: (1) a shift in self-identity as a change agent, rather than merely a profit seeker; (2) internalization of social sustainability and innovation values; and (3) the emergence of greater self-confidence and entrepreneurial agency in business decision-making.

Additionally, field observations of incubation activities indicate that entrepreneurs who actively participate in mentoring sessions and collaborate with other participants tend to exhibit more reflective and positive interpretations of their entrepreneurial roles. Conversely, participants who are passive or only focus on technical aspects (e.g., access to capital or product training) demonstrate a more superficial understanding of the concept of entrepreneurship. This underscores that entrepreneurial meaning-making does not emerge automatically but rather as a result of active participation, social engagement, and intensive facilitated reflection processes (Riedy, 2022). The formation of entrepreneurial identity is a narrative and contextual process, shaped through experience, social discourse, and ongoing personal reflection (Leitch & Harrison, 2016). Therefore, it is important for incubator managers not only to provide technical training but also to create space for existential dialogue and the strengthening of entrepreneurs' self-narratives (Besson et al., 2023). This will enrich the incubation process, not only from an economic perspective but also from a psychosocial one. Considering that technological, market, and socio-economic changes over the next seven years will become increasingly rapid and dynamic, an approach that places the meaning of entrepreneurship at the core of incubation programs becomes increasingly relevant (Hassan, 2024). When entrepreneurs understand who they are, why they do business, and how their values contribute to society, their resilience, creativity, and business sustainability will be more assured in the long term (Villares et al., 2020).

DISCUSSION

The Value of Incubation Programs as Perceived by MSMEs

The results of this study indicate that MSME actors perceive incubation programs as a forum for learning and capacity building, offering tangible benefits for the development of their businesses. The dimensions most appreciated by MSME actors are technical training, managerial coaching, and market access facilitation. Participants stated that technical training provides new skills and improves operational efficiency, particularly in production, financial management, and the use of digital technology in marketing (Bonfanti et al., 2025). This increased efficiency, in turn, strengthens their businesses' competitiveness in local and regional markets (Bergek & Norrman, 2008; Panakaje et al., 2024). Managerial coaching is considered highly beneficial in building leadership capacity and strategic decision-making skills. Mentors or coaches involved in the incubation process are considered to play a central role in guiding SMEs through various business challenges, including business planning, resource management, and risk mitigation (Clarysse et al., 2005). These findings are in line with a study conducted by Cohen et al., (2019) which emphasizes that the quality and dedication of mentors are among the factors determining the effectiveness of incubation programs. Facilitating market access is also an important dimension that provides significant added value for MSME players (Nuryakin et al., 2021). Many incubation participants stated that networking with external stakeholders, including distributors, retailers, and investors, helped them expand their market share and increase sales volume (Bruneel et al., 2012). Incubators that provide strategic connections to the market demonstrate superior performance in forming

sustainable businesses (Pauwels et al., 2016). Affective and psychosocial aspects also emerge as important elements in value perception. Many SME entrepreneurs revealed that incubation programs provide motivation, self-confidence, and a sense of belonging to the entrepreneurial community. Social interactions during the incubation process create a supportive environment where entrepreneurs exchange experiences and learn from others' failures and successes (Man et al., 2024). This dimension reflects the importance of the incubator's role as a venue for entrepreneurial identity formation and psychological empowerment (Gupta & Etzkowitz, 2021).

Another finding worth noting is the importance of flexibility in incubation programs to adapt to the local context of MSMEs. Some participants stated that the success of incubation depends heavily on the extent to which the program is tailored to the specific characteristics and needs of their businesses. A one-size-fits-all approach is often ineffective, especially in the context of SMEs in rural areas or traditional sectors such as handicrafts and local food (Hausberg & Korreck, 2021). Therefore, the success of incubation lies in the program managers' ability to apply the principle of personalized service. A good incubation program does not only focus on achieving quantitative outputs such as the number of trainings or participants, but also considers qualitative outcomes in the form of knowledge and attitude transformation among business actors (Bergek & Norrman, 2008; Panakaje et al., 2024). In this context, the value perceived by participants reflects the quality of their experience during the program, rather than merely formal administrative indicators. This indicates the need to redefine incubation success indicators by emphasizing the long-term impact on business resilience and growth (Sreen et al., 2024). Access to physical and technological facilities such as shared workspaces, production equipment, and high-speed internet also contributes to perceived value (Durante & Turvani, 2018). This access not only facilitates business operations but also strengthens the legitimacy of the business in the eyes of business partners and customers. Especially in the post-pandemic context, the existence of digital infrastructure has become crucial in maintaining the sustainability of micro and small businesses.

Some SME operators also highlight the importance of sustained post-incubation support (Soetanto & Geenhuizen, 2019). Without follow-up mentoring or follow-up programs, many MSMEs find it difficult to maintain the momentum of business development achieved during incubation. This finding is in line with the research by Hackett & Dilts, (2004) which emphasizes the importance of long-term support in promoting business sustainability after incubation. The value that SMEs perceive from incubation programs stems from a combination of technical support, personalized guidance, market connectivity, program flexibility, and psychosocial empowerment. A successful incubation program is one that provides a holistic experience, where entrepreneurs are not only equipped with technical skills but also with self-confidence, social networks, and reflective capacity in dealing with entrepreneurial dynamics (Al-Dajani et al., 2014; Lamine et al., 2014). Thus, these findings have important implications for the design and evaluation of incubation programs, particularly in the context of SME development in developing countries like Indonesia.

Incubator Support Mechanisms

The success of an incubation program is not only determined by the type of services offered, but also by the mechanism of delivering support that is responsive, flexible, and collaborative (Ahmad, 2014). Participants noted that incubators that provide open dialogue spaces and an adaptive approach to the needs of each business create meaningful incubation experiences and promote sustainable growth (Nicolopoulou et al., 2017). This mechanism aligns with the concept of an entrepreneurial support ecosystem proposed by Dempwolf et al., (2014) which emphasizes the importance of synergy between structural elements (such as physical facilities and business networks) and relational elements (such as participatory mentoring and continuous evaluation). The form of support deemed most effective by SMEs is a combination of individual consultations, group discussion sessions, and collaborative opportunities with fellow tenants. Horizontal interactions among tenants create a space for mutual learning, which not only enriches business understanding but also strengthens solidarity and social networks (Bergek & Norrman, 2008; Panakaje et al., 2024). Incubators do not merely function as facilitators, but also as catalysts in building a supportive and dynamic entrepreneurial community. The existence of a periodic feedback mechanism in the form of program monitoring and evaluation is considered to provide

clearer motivation and direction for the development of participants' businesses. This evaluation process is not judgmental but rather aimed at helping entrepreneurs understand their achievements and shortcomings in a constructive manner (Hackett & Dilts, 2004; Pettersen et al., 2015). This study shows that the clarity of success indicators and the facilitator's active role in providing feedback are two crucial aspects in creating an empowering incubation experience.

The sustainability of the program is also a concern in the support mechanism. Some participants expressed concerns about dependency on the incubator if not accompanied by efforts to enhance the entrepreneurs' independence. This aligns with findings that effective incubation programs must lead to a transition phase, encouraging SMEs to become self-reliant post-incubation through strengthened internal capacity and external networks (Tritoasmoro et al., 2024). The flexibility of incubators in adapting their approach to business dynamics determines the effectiveness of their support. Incubators that use a case-by-case approach are considered more capable of responding to the unique challenges of each business. This flexibility is important because MSMEs have varying levels of readiness and needs (Bruneel et al., 2012). Therefore, overly rigid and one-size-fits-all program designs can hinder the learning and innovation process. Support mechanisms that include access to external networks such as investors, distributors, and local business associations are considered highly beneficial in expanding business opportunities. Some SME operators reported securing strategic partnership contracts or national exhibition opportunities through connections facilitated by the incubator. This reinforces the incubator′s role as a network broker connecting SMEs with external resources that are difficult to access individually (Wu et al., 2025). Human resource capacity within incubators, such as a limited number of mentors or a lack of practical experience among facilitators, poses obstacles to the implementation of support. This situation highlights the importance of improving the professionalism and ongoing training of incubator staff so that they can provide relevant and impactful added value. Support mechanisms in incubation programs need to be designed holistically, taking into account the balance between procedural standards and operational flexibility. Adaptive, collaborative, and contextual support models have proven to be more valued by MSMEs because they are able to respond to their real needs in the field. Thus, the incubation mechanism is not only an administrative assistance process, but also a business maturation process oriented towards independence, innovation, and sustainability (Hillemane et al., 2019).

Dimensions of Entrepreneurship Meaning in Incubation Programs

Business incubation programs not only provide technical, financial, and networking support for micro, small, and medium enterprises (MSMEs), but also play an important role in shaping the subjective meaning and entrepreneurial identity of their participants (Nixon et al., 2022). In this context, the incubation process can be viewed as a transformative learning space, where individuals not only acquire business knowledge but also experience changes in their thinking, values, and goals in running their businesses (Nicolopoulou et al., 2017). This study found that the post-incubation interpretation of entrepreneurship encompasses at least three main dimensions, namely entrepreneurship as social responsibility, as self-expression, and as a survival strategy. Each of these dimensions indicates a significant paradigm shift within MSME actors.

A. Entrepreneurship as Social Responsibility

Many MSME entrepreneurs who participated in the incubation program reported that they began to view their businesses not only as a means to achieve personal gain, but also as an instrument to create social impact (Man et al., 2024). This perspective shows an evolution in values from a profit orientation to a purpose-driven orientation. In some cases, incubation participants have begun to recognize the importance of creating jobs, empowering local communities, and contributing to sustainability issues (Borrero & Yousafzai, 2025). This change indicates that incubation programs are capable of instilling social entrepreneurship values through mentoring, reflection, and collective experiences with fellow participants. The interpretation of business as a social responsibility can also be understood as a form of moral learning that broadens the ethical horizons of MSME actors (Spence, 2016). In this context, incubation programs function as a dialogic arena, where business actors learn to understand broader social realities and adjust their business

strategies to principles of sustainability and inclusivity. This aligns with the view (Thompson & Illes, 2021), that entrepreneurship should be understood as a social, reflective, and contextual practice.

B. Entrepreneurship as Self-Expression

The second dimension that emerges is entrepreneurship as a form of self-expression. Many incubation participants interpret entrepreneurial activities as a means to realize their personal identity, personal values, and creative aspirations (Nixon et al., 2022). This perspective shifts the role of entrepreneurs from mere economic actors to cultural agents who use business as a medium to express who they are and what they believe ini (Fauchart & Gruber, 2011). The interpretation of entrepreneurship as self-expression can be understood within the framework of entrepreneurial identity, which emphasizes that the process of becoming an entrepreneur is an ongoing process of identity formation and negotiation. Incubation, in this context, provides a safe and supportive space for SME actors to explore and strengthen their identities, whether as creators, innovators, or agents of social change. Thus, incubation not only supports quantitative business growth but also enriches the qualitative dimensions of the entrepreneurial journey (Nixon et al., 2022; Panakaje et al., 2024). This dimension also indicates that entrepreneurial motivation is not always rooted solely in economic incentives but also in psychological needs for self-actualization and the pursuit of life meaning. This suggests that effective incubation programs must be able to recognize and facilitate the personal and emotional dimensions of entrepreneurship.

C. Entrepreneurship as Survival

The third dimension is entrepreneurship as a survival mechanism (Borrás & Belda, 2018). In this finding, some MSME actors view entrepreneurship as a response to conditions of scarcity, such as unemployment, family economic pressures, or limited access to work (Edoho, 2016). This perspective emphasizes that entrepreneurship does not always arise from aspiration but also from urgent necessity (necessity-driven entrepreneurship). Incubation, in this context, serves as a mechanism for mitigating social-economic risks for vulnerable groups while creating opportunities for microeconomic transformation (Chirambo, 2021). It is important to note that although it begins with survival motivation, the right incubation process can shift the orientation of entrepreneurs from merely surviving to growing and becoming competitive (Audretsch et al., 2022). This transformation reflects the effectiveness of incubation in activating latent potential and guiding entrepreneurs toward more sustainable business development pathways. In other words, incubation can serve as a catalyst for the transition from necessity-driven to opportunity-driven entrepreneurship (Liñeiro et al., 2024).

D. Theoretical and Practical Implications

The dimensions of entrepreneurial meaning identified in this study enrich the literature on entrepreneurial identity and incubation practices. These findings reinforce the argument that entrepreneurship is multi-dimensional and contextual, involving cognitive, affective, social, and existential aspects (Chell, 2007; Vedula et al., 2022). In this context, the incubation process can be seen not only as a technical intervention but also as a transformative learning process that shapes how individuals interpret work, life goals, and their contributions to society. These results indicate that incubation organizers need to adopt a more holistic approach, taking into account the psychosocial dimensions of participants. This means creating a curriculum that includes not only management and financial training but also spaces for reflection, value discussions, and personal development. An incubation model that considers aspects of meaning and identity is believed to produce entrepreneurs who are not only economically resilient but also psychologically and socially mature (Man et al., 2024; Nixon et al., 2022). Recognition of the plurality of meanings of entrepreneurship also helps build an inclusive ecosystem, where individuals with different motivational backgrounds can thrive and be empowered. Thus, the results of this study not only highlight the success of incubation programs in improving the technical capacity of MSME actors, but also emphasize the importance of building a more reflective and transformative framework in entrepreneurship development.

Limitations and Practical Implications

This study makes an important contribution to understanding the business incubation process from the perspective of MSME actors, but it also has a number of methodological and contextual limitations that need to be openly communicated to allow room for future studies. One of the main limitations is the narrow geographical focus, which only involves participants from a specific region with unique cultural, social, and economic characteristics. This local context may influence SME actors' perceptions, experiences, and interpretations of the incubation program, so generalizing the results to other regions must be done with caution. The narrative-based qualitative approach used in this study heavily relies on participants' reflective capacity and verbal ability to articulate their experiences (Burrai et al., 2020). Although this approach allows for in-depth exploration of meaning, there is potential for bias arising from informant selection, researcher subjectivity in interpretation, and limitations in accessing experiences that may not be fully revealed in interviews. To address these limitations, further research may consider mixed methods or data triangulation approaches to enrich and validate findings. The practical implications of this research can be divided into three main areas: incubator management, public policy, and academic theory development. First, from the perspective of incubator management, these findings emphasize the importance of adopting a needs-based approach, which allows for the development of curricula and incubation interventions that are more adaptive to the dynamics and complexity of the challenges faced by SMEs (Pauwels et al., 2016). This approach requires active participant involvement in the needs assessment process, as well as flexibility from incubator managers in tailoring services to the specific context of each business (Hackett & Dilts, 2004; Pettersen et al., 2015). The provision of services that focus not only on technical capacity or managerial aspects, but also on the formation of entrepreneurial identity and psychosocial empowerment, is a crucial element revealed in this study. Incubation cannot be viewed solely as a vehicle for enhancing business skills, but rather as a dialogic space where SME actors shape their self-perception, goals, and the sustainability of their businesses (Drori & Wright, 2018). Therefore, incubators should ideally provide transformative mentoring programs focused on reflective learning, rather than merely technocratic training modules (Clarysse et al., 2005).

Second, from a public policy perspective, this study provides a strong argument for the urgency of strengthening community-based incubation ecosystems that are sensitive to local social and cultural dynamics. Incubators that grow from communities, rather than solely external initiatives, tend to have a deeper understanding of the challenges, potential, and social capital possessed by MSME actors (Leal et al., 2023). Therefore, governments and policymakers need to encourage collaborative models between public institutions, universities, industry players, and local communities in designing and implementing incubation programs (Etzkowitz & Zhou, 2017). Policy interventions also need to consider the sustainability of funding and institutional capacity of incubators, which often become weak points in field implementation. Competitive and long-term funding schemes, support for incubator facilitator training, and incentive policies for business actors involved in mentoring are some potential interventions to strengthen the role of incubators in the entrepreneurship ecosystem.

Third, in the academic realm, this study enriches the literature on business incubation by highlighting the importance of narrative perspectives in understanding the incubation process as a process of entrepreneurial identity formation, rather than merely as a technical intervention in business development. This approach offers new insights into the psychosocial dynamics and meaning construction that are often overlooked in incubation studies that focus more on quantitative metrics such as graduation rates, revenue growth, or the number of jobs created (Bergek & Norrman, 2008; Panakaje et al., 2024). This study encourages academics to explore the subjective dimensions of the incubation experience, including how individuals interpret success, failure, and identity transformation throughout the incubation process. This aligns with the entrepreneurial meaning-making approach, which positions narratives, emotions, and self-reflection as integral parts of the process of becoming an entrepreneur. A deeper understanding of these subjective meanings can also help design entrepreneurship training programs that are more responsive to participants' psychological and social needs. As a direction for further research,

comparative studies across regions or between types of incubators (e.g., university incubators vs. private incubators) are needed to examine the extent to which institutional and cultural contexts influence SME actors' interpretations of the incubation process. In addition, the integration of longitudinal data that tracks participants' journeys before, during, and after the incubation program can provide a more comprehensive picture of the long-term impact of incubation on the sustainability of businesses and personal growth of MSME actors (Bonfanti et al., 2025). Overall, despite the limitations of this study, the findings open up space for reflection and improvement in both incubation practices and entrepreneurship theory development. By placing the subjective experiences of SME entrepreneurs at the center of the analysis, this study offers an alternative, more humanistic lens for understanding the business incubation process amid the evolving dynamics of the local economy.

CONCLUSION

This study illustrates that the business incubation process is not only understood by MSME actors as a series of technical or administrative interventions, but more than that, it is a transformative experience that shapes the meaning of entrepreneurship itself. By analyzing the narratives of SME actors from various sectors who participated in the incubation program, it was identified that the success of incubation depends on three main pillars: the perceived value of the support received, relevant and sustainable mentoring mechanisms, and a reflective process that enables the formation of new meaning and identity as entrepreneurs. Conceptually, the findings of this study expand our understanding of business incubation from a purely output-oriented approach to a process and meaning-oriented approach. Incubators that only provide technical training or access to financing, without considering the psychosocial and reflective aspects of SME entrepreneurs, tend to be less effective in fostering business sustainability. In this context, the interpretation of incubation experiences becomes a key element mediating between incubator support and entrepreneurial transformation.

This finding also emphasizes the importance of a contextual approach in the design of incubation programs. Incubators that are able to tailor their materials, methods, and mentoring approaches to the needs and socio-cultural backgrounds of MSME actors tend to have a more significant impact. In this context, incubation is viewed not only as an economic empowerment tool but also as a social learning space that fosters self-confidence, identity, and resilience among SME entrepreneurs. The active involvement of SME entrepreneurs in the incubation process reflects a constructive, mutually beneficial relationship between incubation service providers and beneficiaries. This interaction generates not only new knowledge but also the creation of social networks that strengthen the entrepreneurial capacity of SME actors collectively. This study also emphasizes that the success of incubation programs cannot be measured solely by the economic sustainability of businesses but must be viewed through the transformation of attitudes, ways of thinking, and adaptive capabilities of SME actors. Therefore, incubation programs focused on human development and entrepreneurial mindset are better equipped to address long-term business challenges, especially in an era of rapid change and global economic uncertainty. The theoretical implication of this study is the importance of integrating interpretive and phenomenological approaches in business incubation studies in order to explore the subjective dimensions of the incubation process that are often overlooked by quantitative approaches. Practically, this study suggests the need to develop a more flexible, adaptive, and needs-based incubation framework for MSME actors. This includes the need for incubator training in aspects such as facilitating reflective dialogue, understanding local contexts, and building inclusive collaborative networks. Thus, incubation is not merely positioned as an economic intervention but as a journey of entrepreneurial identity formation that requires simultaneous structural and relational support. This study opens up further exploration for academics and practitioners to view incubation from the perspective of SMEs as the main actors in this transformative process.

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