



# Analysis of the Importance of Training and Development on the Performance of MSMEs in the Sukabumi Area

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**Abstract.** This report aims to analyze the importance of training and development on the performance of Micro, Small and Medium Enterprises (MSMEs) in the Sukabumi area. MSME entrepreneurs play an important role in the local economy, but they often face challenges in developing their businesses. Training and skills development is considered an effective means to help MSME entrepreneurs improve their business performance. This research methodology is based on collecting primary data through a survey using a closed questionnaire to MSME entrepreneurs in the Sukabumi area. The questionnaire explores entrepreneurs' perceptions and needs regarding training and development in the context of MSME businesses. It is hoped that this report can provide useful insights for relevant stakeholders, including the government, training institutions and MSME associations, in planning and providing relevant and effective training for MSME entrepreneurs in the Sukabumi area.

**Keywords:** UMKM, Training, Development

## 1 Introduction

### 1.1 Research Background

Micro, Small and Medium Enterprises (MSMEs) have a significant role in the Indonesian economy. In the Sukabumi area, MSMEs also play an important role in creating jobs, increasing income and strengthening the local economy. However, MSME entrepreneurs in the Sukabumi area often face various challenges that hinder the growth and development of their business.

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**Fig. 1.** The Development of Sukabumi MSMEs from 2018 to 2020

It can be seen from Fig.1 that the development of Sukabumi MSMEs from 2018 to 2020 is increasing. This business consists of several sectors, such as food and beverage, services and goods. If this superior potential is developed, it will provide great benefits for the Sukabumi government and the community in terms of increasing income and economic levels.

Many MSME entrepreneurs in the Sukabumi area do not have sufficient understanding of aspects of financial management and marketing, use of technology, and managerial skills necessary to manage their business effectively. These limitations can affect the competitiveness, innovation and growth of MSME businesses.

Training and skills development is considered an effective solution to overcome these challenges. Appropriate training can help MSME entrepreneurs in the Sukabumi area increase the knowledge and skills needed to develop their business. With relevant and quality training, MSME entrepreneurs can improve business performance, optimize the use of resources, and take advantage of existing opportunities.

However, despite the importance of training and development for MSME entrepreneurs, there are still obstacles in finding and accessing training that suits their business needs. Some of the obstacles faced include limited resources, limited access, and lack of clear information regarding available training programs. Therefore, further analysis needs to be carried out to understand the importance of the training and development needs of MSME entrepreneurs in the Sukabumi area.

In this context, this report aims to analyze the importance of training and development on the performance of MSMEs in the Sukabumi area. Because based on random observations by researchers, there are still many MSMEs that need training and development for the progress of their MSMEs, and this issue is quite relevant to the context research chosen by the researcher

## 1.2 Research Problem Formulation

Based on the background that has been explained, there is a problem formulation that can be identified, namely as follows:

1. How does training influence the performance of MSMEs in the Sukabumi area?
2. How does development affect the performance of MSMEs in the Sukabumi area?

3. What is the influence of training and development together on the performance of MSMEs in the Sukabumi area?

With this problem formulation, a more in-depth analysis can be carried out and able to identify steps that can be taken to improve the situation.

### **1.3 Research Objectives**

Based on the background and problem formulation previously mentioned, this report has the following objectives:

1. Analyze the effect of training on the performance of MSMEs in the Sukabumi area.
2. Analyze the influence of development on the performance of MSMEs in the Sukabumi area.
3. Analyze the influence of training and development together on the performance of MSMEs in the Sukabumi area.

Ease of Use  
By achieving this goal, it is hoped that this report can provide a deeper understanding of the importance of training and development for the growth of MSME businesses in the Sukabumi area, as well as provide concrete and practical recommendations for improving training and skills development in the context of MSMEs in the Sukabumi area.

## **2 Research Basis**

### **2.1 Research Place Profile**

Sukabumi Regency is one of the regencies in West Java Province, Indonesia. The capital city is Pelabuhanratu. Sukabumi Regency has a large area, which makes it the second largest district on the island of Java after Banyuwangi Regency in East Java Province. 40% of the land in Sukabumi Regency borders the ocean and the other 60% borders other districts. This district borders Bogor Regency to the north, Cianjur Regency to the east, the Indian Ocean to the south, and Lebak Regency to the west.

Sukabumi Regency consists of 47 sub-districts, 5 sub-districts, 381 villages, 12,468 RT and 3,000 RW. In 2022, the population will reach 2,762,500 people. The largest population density reached 5,707 people/km<sup>2</sup> in Cisaat District, and the smallest population density was in Tegalbuleud District, namely 145 people/km<sup>2</sup>. The Sukabumi area has quite large economic potential, starting from the agricultural, plantation, tourism and small industry sectors which are the main sectors that contribute to Sukabumi's economy. In 2022, the highest growth will occur in the Accommodation and Food and Drink Provision sectors.

The Sukabumi City Department of Cooperatives, Micro Enterprises, Industry and Trade (Diskumindag) recorded that the number of MSMEs that had been verified as of May 2022 had reached 1,100 units. Hundreds of MSMEs in Sukabumi since 2019 until now have become West Java MSME Champion participants. The West Java MSME Champion program is able to accommodate the potential of MSMEs in Sukabumi who often have the ability to develop but are hampered by various things.

## 2.2 Vision and Mission

- Vision  
"The realization of a Religious, Advanced and Innovative Sukabumi Regency towards a physically and mentally prosperous society."
- Mission
  1. Develop human resources that are faithful, cultured and competitive.
  2. Increase the productivity and competitiveness of an agribusiness-based economy and sustainable tourism.
  3. Increase connectivity to accelerate regional growth.
  4. Improve the quality of public services that are innovative, professional and accountable.

## 2.3 Description of Research Activities

This research was carried out in various regions/districts in Sukabumi, West Java. This research was conducted approximately one month after the determination research title, by randomly visiting several MSMEs in Sukabumi and via social media with the provisions of MSMEs that already have official permits and those that do not have official permits, as well as carrying out documentation with MSME actors. The data collection technique for this research is by filling out a closed questionnaire.

The equations are an exception to the prescribed specifications of this template. You will need to determine whether or not your equation should be typed using either the Times New Roman or the Symbol font (please no other font). To create multileveled equations, it may be necessary to treat the equation as a graphic and insert it into the text after your paper is styled.

## 2.4 Research Contribution

- Regarding the Scientific Field  
By carrying out this research, it is hoped that it can increase insight and become information, reference or comparison material in the field of Human Resources Science (HR), especially those related to the Importance of Training and Development of MSMEs in the Sukabumi area.
- Against Research Institution/Nations  
It is hoped that it can help improve previous research and can be used as additional information or reference for government. Sukabumi in the importance of training and development of MSMEs in the Sukabumi area.

# 3 Research Methods

## 3.1 Research Type

This research uses a quantitative approach. The research was done in the Sukabumi area. The variables involved in this study are as follows:

1. Training (XI). Training is any effort to improve a worker's performance on a particular job for which they are responsible, or a job that is related to their job according to Gomes (2003: 197).
2. Development (X2). Development is an effort made to grow and improve capabilities and competitiveness. According to the Big Indonesian Dictionary (KBBI), development is a process, method, act of developing. And it is further explained in the General Indonesian Dictionary by WJS Poerwadarminta, that development is the act of increasing, changing perfectly (thoughts, knowledge and so on). So development is a process used to develop and validate a product. Development can take the form of processes, products and designs.
3. Performance (Y). Performance is the result of work and actions achieved by fulfilling the tasks and responsibilities given within a certain period of time (Kasmir. 2019:182). MSME performance is a work result achieved by a person or organization in carrying out the tasks assigned to them which is based on skill, experience, seriousness and time.

### **3.2 Population**

According to Supardi, population means a unit of individuals in a certain quality, area and time. Meanwhile, Margono defines population as all data that is the center of attention of researchers, within a predetermined time and scope.

Based on the Sukabumi City Department of Cooperatives, Micro Enterprises, Industry and Trade (Diskumindag), the number of verified Micro, Small and Medium Enterprises (MSMEs) has reached 1,100 units.

### **3.3 Sample**

The sample is part of the number and characteristics possessed by a population (Sugiyono, 2015: 118). And according to Arikunto, the sample is part or representative of the population studied. But the sampling technique in this study is using the slovin method.

$$n = \frac{N}{1 + Ne^2}$$

Description:

n = sample number

N = total population member

e = significant level tolerance (researcher determines 10%)

then if the number of UMKM 1.100

$$n = \frac{1.100}{1 + 1.100 (0.10)^2}$$

$$n = \frac{1.100}{1 + 1.100 (0,01)}$$

$$n = \frac{1.100}{1 + 11}$$

$$n = 91,666$$

Based on the description above, the sample that the researchers will take is 91,666, then rounded up to 92 respondents for MSMEs in Sukabumi.

### 3.4 Data Collection Techniques

The data collection methods in this research are as follows:

#### 1. Observation

Research observation is a stage of observing MSME actors in the region Sukabumi

#### 2. Questionnaire

The questionnaire method is a list of questions containing questions about the research object given to respondents and the answers from respondents can be useful for researchers in analyzing the hypotheses that have been determined.

## 4 Data Analysis

From the research data collected, an analysis of the problems faced was then carried out using the following quantitative descriptive analysis method:

#### 1. Simple linear regression analysis is an analysis to see the extent of the influence of training and development on MSME performance using the regression equation quoted from Iqbal (2002:250) with the formula:

$$Y = a + b(x)$$

Y → Performance of MSMEs

X → (1) Training, (2) Development

A and b → Regression coefficients

2. Testing research instruments with validity and reliability tests using SPSS software. The data analysis techniques used consist of validity tests, rehabilitation tests, descriptive analysis, multiple linear regression and coefficient of determination (Rsquare).

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