

Why Does Training Improve Revenue but Not Through Business Capacity? Evidence from Government-Sponsored Microenterprise Development Programs in Kabupaten Tanah Datar Regency

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Abstract

Training programs are widely used by local governments to improve the performance of microenterprises. Drawing upon Human Capital Theory and the Resource-Based View, this study examines the effect of training on revenue growth, with business capacity as a mediating variable among microenterprises in Tanah Datar Regency, Indonesia. The study employed a quantitative explanatory approach using Partial Least Squares Structural Equation Modeling (PLS-SEM). Data were collected from 56 microenterprise owners who participated in government-sponsored training programs organized by the Department of Cooperatives, Small and Medium Enterprises, and Trade of Tanah Datar Regency in 2023. To enrich the interpretation of the quantitative findings, follow-up interviews were conducted with selected participants. The results indicate that training has a positive and significant effect on business capacity and revenue growth. However, business capacity does not significantly affect revenue growth and therefore does not mediate the relationship between training and business performance. Follow-up interviews suggest that limited market access, weak business networks, and external economic conditions may constrain microenterprises from translating improved managerial practices into higher revenue. These findings imply that training alone is insufficient to generate sustainable business growth. Policy interventions should therefore be complemented by measures that facilitate market access, business partnerships, and post-training support. This study contributes to the microenterprise development literature by providing evidence that improvements in business capacity do not necessarily lead to improved business performance in local economic contexts.

Keywords: Microenterprise, Training, Business Capacity, Revenue Growth, Human Capital Theory

1. Introduction

Microenterprises constitute the backbone of economic activity in many developing countries. Their contribution extends beyond income generation and employment creation to supporting local economic resilience and social welfare. In Indonesia, micro, small, and medium enterprises (MSMEs) account for the overwhelming majority of business establishments and play a crucial role in sustaining economic growth. Consequently, government interventions aimed at strengthening microenterprise performance have become a central component of economic development policy. Among these interventions, business training remains one of the most widely implemented policy instruments.

The underlying rationale for training programs is rooted in Human Capital Theory, which argues that investments in knowledge, skills, and competencies increase productivity and economic performance. According to Schultz (1961) and Becker (1964), individuals who acquire new skills and knowledge are expected to become more productive, leading to improved economic outcomes. Within the context of microenterprises, training programs are designed to improve entrepreneurial competencies, managerial capabilities, marketing knowledge, and operational efficiency. These improvements are expected to enhance business performance, which is commonly reflected through increased sales, profits, and business growth.

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The effectiveness of training programs for microenterprises, however, remains a subject of debate. While governments and development agencies continue to allocate substantial resources to entrepreneurial training, empirical evidence regarding their effectiveness remains mixed. Several studies report positive impacts of training on business practices and managerial behavior, whereas others find limited or insignificant effects on business performance indicators such as profits and sales.

McKenzie and Woodruff (2014), through a comprehensive review of business training programs in developing countries, found that training often improves business practices but frequently produces only modest effects on business outcomes. Similar findings were reported in subsequent studies, suggesting that the relationship between training and business performance is more complex than originally assumed. Improvements in managerial knowledge do not necessarily translate into improved economic performance.

This inconsistency raises an important theoretical and practical question. If training successfully enhances business capacity, why do many microenterprises fail to achieve corresponding improvements in business performance? Existing literature provides limited explanations regarding the mechanisms through which training affects economic outcomes. Many studies focus primarily on direct relationships while paying less attention to intermediary processes and contextual factors that may influence the effectiveness of training interventions.

From a theoretical perspective, the Resource-Based View (RBV) offers a useful framework for understanding these mechanisms. RBV argues that sustainable competitive advantage is derived from valuable organizational resources and capabilities. In the context of microenterprises, business capacity—including marketing practices, financial management, operational management, and business planning—can be considered strategic resources that contribute to superior performance. Training is therefore expected to improve business performance indirectly through its influence on business capacity.

Despite this theoretical expectation, empirical findings remain inconclusive. Some studies have found that improved business practices significantly enhance firm performance, while others report weak or insignificant relationships. Such inconsistencies suggest that factors external to the firm may play a more dominant role in shaping business outcomes than internal managerial capabilities alone.

This issue is particularly relevant in the Indonesian context, where local governments routinely implement training programs as part of microenterprise empowerment strategies. Tanah Datar Regency, located in West Sumatra Province, provides an important case for examining this issue. The local government has consistently implemented training programs aimed at improving entrepreneurial competencies among microenterprise owners. These programs include Achievement Motivation Training, Strategic Branding and Online Marketing Training, and Creativity and Innovation Training. Despite the continued implementation of these programs, evidence regarding their effectiveness remains limited.

The present study addresses this gap by examining whether business capacity mediates the relationship between training and revenue growth among microenterprises participating in government-sponsored training programs. Unlike previous studies that focus solely on direct effects, this research investigates the mechanism through which training influences business performance. Furthermore, a mixed-methods approach is employed to provide a deeper understanding of the

quantitative findings and explore contextual factors that may explain observed relationships.

The study contributes to the literature in three important ways. First, it extends existing knowledge regarding the effectiveness of entrepreneurial training programs in developing economies. Second, it examines business capacity as a mediating mechanism linking training and business performance. Third, it complements quantitative findings with contextual insights from follow-up interviews, providing a richer explanation of the relationship between training and business performance.

The findings challenge conventional assumptions derived from Human Capital Theory by demonstrating that enhanced business capacity does not automatically translate into improved business performance. Instead, external constraints such as market access limitations, declining consumer purchasing power, and weak business networks appear to play a more decisive role in determining microenterprise success. These insights have important implications for policymakers seeking to design more effective microenterprise development programs.

2. Literature Review

Human Capital Theory

Human Capital Theory provides one of the most influential frameworks for understanding the relationship between training and economic performance. Originally developed by Schultz (1961) and further elaborated by Becker (1964), the theory argues that investments in education, training, and skill development enhance individuals' productive capacities, thereby increasing economic returns. Unlike traditional views that regarded expenditures on education and training as consumption, Human Capital Theory conceptualizes such expenditures as productive investments capable of generating future benefits.

Within the context of entrepreneurship and microenterprise development, human capital encompasses the knowledge, skills, competencies, experiences, and capabilities possessed by business owners that contribute to business performance. Entrepreneurs with higher levels of human capital are generally expected to make better business decisions, recognize market opportunities more effectively, and adapt more successfully to changing business environments.

Training programs represent a deliberate form of human capital investment. Through training, entrepreneurs acquire new knowledge and competencies that may improve business management, marketing strategies, financial administration, and operational efficiency. Consequently, Human Capital Theory predicts that training should positively influence business performance through the enhancement of entrepreneurial capabilities.

Previous empirical studies have provided support for this proposition. Cho and Honorati (2014), in a meta-analysis of entrepreneurship programs in developing countries, found that entrepreneurial training generally improves business knowledge and entrepreneurial behavior. Similarly, Campos et al. (2017) reported that entrepreneurship training focused on personal initiative significantly improved business performance among small business owners.

However, evidence regarding the relationship between human capital investments and business outcomes remains inconsistent. While training often improves knowledge and business practices, improvements in sales, profits, and business growth are frequently smaller than expected. This suggests that the

relationship between training and performance may be influenced by additional organizational and environmental factors.

Resource-Based View

The Resource-Based View (RBV) provides a complementary perspective for understanding how training may influence business performance. According to RBV, organizational success depends on the possession and effective utilization of valuable, rare, inimitable, and non-substitutable resources (Barney, 1991). These resources form the basis of sustainable competitive advantage.

Although RBV was originally developed for larger firms, its principles are equally applicable to microenterprises. In small businesses, managerial capabilities, business knowledge, and operational competencies often represent the most important strategic resources available to entrepreneurs. Unlike physical assets, these intangible resources are difficult for competitors to imitate and may generate long-term performance advantages.

Business capacity can therefore be viewed as a strategic organizational resource. In the context of microenterprises, business capacity refers to the ability of entrepreneurs to effectively manage key business functions, including marketing activities, financial management, operational processes, and business planning. Strong business capacity enables entrepreneurs to allocate resources efficiently, identify market opportunities, and respond effectively to competitive challenges.

From an RBV perspective, training contributes to business performance by strengthening internal organizational capabilities. Training itself does not directly create economic value; rather, it enhances strategic resources that subsequently influence business outcomes. Consequently, business capacity is expected to serve as an intermediary mechanism through which training affects business performance.

Training and Business Performance

Training has become one of the most common policy instruments used to support microenterprise development throughout the world. Governments, development agencies, and non-governmental organizations invest substantial resources in entrepreneurial training programs based on the assumption that improved knowledge and skills will translate into better business outcomes. Despite its popularity, empirical evidence regarding training effectiveness remains mixed. Some studies report positive impacts on business performance, while others find limited effects.

McKenzie and Woodruff (2014) reviewed numerous randomized controlled trials and concluded that business training generally improves business practices but often generates only modest improvements in profits and sales. Likewise, Valerio et al. (2014) found that entrepreneurial training programs frequently succeed in changing business behavior, although improvements in financial performance are less consistent.

The variability of outcomes may be explained by differences in training content. Entrepreneurship training generally falls into two broad categories. The first category focuses on entrepreneurial mindset and managerial capabilities, including motivation, strategic thinking, and business planning. The second category focuses on technical and functional competencies, such as marketing, branding, financial management, and production processes.

The training programs examined in this study include elements of both categories. Achievement Motivation Training primarily targets entrepreneurial attitudes and motivation, whereas Strategic Branding and Online Marketing Training and Creativity and Innovation Training emphasize functional business competencies. Collectively, these programs are expected to enhance entrepreneurial performance through improvements in managerial and operational capabilities. Accordingly, the following hypothesis is proposed:

H1: Training has a positive effect on business capacity.

Business Capacity and Revenue Growth

Business capacity represents the practical application of entrepreneurial knowledge and competencies within day-to-day business operations. Rather than measuring what entrepreneurs know, business capacity reflects what entrepreneurs actually do.

Following McKenzie and Woodruff (2017), business capacity can be assessed through four principal dimensions:

- a. Marketing practices
- b. Financial record-keeping practices
- c. Inventory and operational management practices
- d. Business planning practices

These dimensions represent fundamental managerial functions that contribute to organizational effectiveness. Entrepreneurs who consistently apply these practices are generally expected to achieve superior business outcomes.

Several studies have demonstrated positive relationships between business practices and firm performance. Bloom and Van Reenen (2007) found that management quality significantly influences organizational productivity. Similarly, McKenzie and Woodruff (2017) reported that firms with stronger business practices tend to generate higher sales, profits, and survival rates.

Theoretically, improved business capacity should contribute to revenue growth through several mechanisms. Better marketing practices increase customer acquisition and retention. Improved financial management enhances resource allocation and cost control. Strong operational practices improve efficiency and service quality. Effective planning supports strategic decision-making and long-term business development.

Therefore, the following hypothesis is proposed:

H2: Business capacity has a positive effect on revenue growth.

Training and Revenue Growth

Human Capital Theory suggests that training should ultimately improve business performance by enhancing entrepreneurial productivity. Training enables entrepreneurs to acquire new knowledge, improve decision-making, and adopt more effective business strategies.

Previous studies have found varying levels of support for this relationship. Anderson et al. (2018) reported that marketing-oriented training improved sales performance among small enterprises. Duy et al. (2015) found that training improved operational efficiency and financial performance among small firms in Vietnam. Similarly, Campos et al. (2017) demonstrated that entrepreneurial training can generate measurable improvements in business outcomes.

Training may influence revenue growth through both direct and indirect mechanisms. Direct effects may occur when entrepreneurs immediately apply newly acquired knowledge to increase sales or improve customer engagement. Indirect effects occur when training strengthens business capacity, which subsequently contributes to improved performance.

Consequently, the following hypothesis is proposed:

H3: Training has a positive effect on revenue growth.

Business Capacity as a Mediating Variable

Although Human Capital Theory assumes that investments in training improve performance through enhanced capabilities, relatively few studies have explicitly tested this mediating mechanism. Most previous research focuses either on the relationship between training and business practices or on the relationship between business practices and business performance.

The integration of Human Capital Theory and RBV suggests that business capacity should serve as a critical link between training and revenue growth. Training enhances entrepreneurial competencies, which are subsequently translated into improved business practices. These improved practices then contribute to superior business outcomes.

This sequence reflects the logic of organizational capability development. Training alone does not generate revenue; rather, entrepreneurs must transform acquired knowledge into practical managerial behaviors that create economic value.

Accordingly, the following mediation hypothesis is proposed:

H4: Business capacity mediates the relationship between training and revenue growth.

3. Methods

Research Design

This study primarily employed a quantitative explanatory approach using Partial Least Squares Structural Equation Modeling (PLS-SEM). To provide additional context for interpreting the quantitative findings, follow-up interviews were conducted with selected participants.

To provide a richer interpretation of the quantitative findings, follow-up interviews were conducted with selected participants. These interviews were used to explore contextual factors that may explain the statistical relationships observed in the quantitative analysis.

Population and Sample

The population consisted of microenterprise owners who participated in training programs organized by the Department of Cooperatives, Small and Medium Enterprises, and Trade (KUKMP) of Tanah Datar Regency in 2023. These programs included Achievement Motivation Training, Strategic Branding and Online Marketing Training, and Creativity and Innovation Training.

A total of 90 participants attended the training programs. However, only 56 participants completed the survey and met the study requirements. Consequently, the final sample consisted of 56 microenterprise owners representing various business sectors and demographic backgrounds.

Although the sample size was relatively modest, it remained adequate for Partial Least Squares Structural Equation Modeling (PLS-SEM), which is considered appropriate for exploratory studies, complex models, and relatively small samples (Hair et al., 2022).

Data Collection

Quantitative data were collected using structured questionnaires administered to training participants. The questionnaire captured information regarding training outcomes, business capacity, and revenue growth. Respondents were asked to evaluate their business practices using a four-point Likert scale ranging from strongly disagree (1) to strongly agree (4).

To complement the quantitative findings, qualitative data were collected through semi-structured interviews with selected participants. Interview participants were purposively selected to represent different business sectors, business ages, and training backgrounds. The interviews focused on understanding participants' experiences following training participation and identifying factors influencing business performance. The integration of quantitative and qualitative evidence enabled a deeper exploration of the mechanisms linking training and business outcomes.

Measurement of Variables

Training

Training was conceptualized as participation in government-sponsored entrepreneurial development programs. The construct captured participants' perceptions regarding the usefulness, relevance, and applicability of training content. The training programs examined in this study covered three principal themes:

- a. Achievement Motivation
- b. Strategic Branding and Online Marketing
- c. Creativity and Innovation

These programs were designed to improve entrepreneurial competencies, business management skills, and market responsiveness.

Business Capacity

Business capacity was measured as a multidimensional construct reflecting the implementation of business management practices. Consistent with the framework proposed by McKenzie and Woodruff (2017), four dimensions were included:

- a. Marketing Practices
This dimension assessed activities related to customer identification, promotion, market analysis, and customer relationship management.
- b. Financial Record-Keeping Practices
This dimension evaluated the extent to which entrepreneurs maintained financial records, monitored cash flows, and separated business and personal finances.
- c. Operational and Inventory Management Practices
This dimension measured inventory monitoring, production planning, and operational control activities.
- d. Business Planning Practices
This dimension captured goal setting, business planning, and strategic decision-making activities.

Collectively, these dimensions represented the level of managerial sophistication within the enterprise.

Revenue Growth

Revenue growth served as the indicator of business performance. Revenue growth was calculated based on changes in business turnover before and after participation in the training programs. This measure was selected because it represents one of the most widely used performance indicators for microenterprises and can be readily reported by business owners.

Data Analysis

This study primarily employed a quantitative approach to examine the relationships among training, business capacity, and revenue growth. Quantitative data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software.

The analysis was conducted in two stages. First, the measurement model was evaluated to assess the reliability and validity of the constructs. Reliability was examined using Cronbach's Alpha and Composite Reliability, while convergent validity was assessed through Average Variance Extracted (AVE). Discriminant validity was evaluated using the Fornell-Larcker criterion.

Second, the structural model was assessed to examine the hypothesized relationships among the variables. Path coefficients, coefficients of determination (R^2), and bootstrapping procedures were used to evaluate the significance and explanatory power of the model. Direct effects, indirect effects, and mediation effects were subsequently examined.

To provide additional insight into the quantitative findings, follow-up interviews were conducted with several training participants. The interviews were not intended to constitute a separate qualitative study, but rather to provide contextual explanations for the statistical results, particularly the unexpected finding that business capacity did not significantly influence revenue growth.

Interview responses were reviewed and summarized to identify recurring issues and challenges experienced by participants after attending the training programs. These qualitative insights were used to support the interpretation of the quantitative findings and to provide a more comprehensive understanding of factors affecting microenterprise performance.

4. Result and Discussion

Respondent Characteristics

The sample consisted predominantly of female entrepreneurs, reflecting the significant participation of women in microenterprise activities within Tanah Datar Regency. Most respondents belonged to productive age groups and had operated their businesses for more than five years, indicating relatively mature business experience.

Educational attainment varied considerably, ranging from elementary education to postgraduate qualifications. Nevertheless, the majority of respondents possessed secondary-level education. These characteristics suggest that the sample represented diverse microenterprise conditions and entrepreneurial backgrounds.

Measurement Model Assessment

The measurement model met the recommended reliability and validity criteria. All constructs achieved acceptable values of Composite Reliability and Average Variance Extracted (AVE), indicating satisfactory internal consistency and convergent validity. Discriminant validity was also established through the Fornell-Larcker criterion.

Structural Model Assessment

The structural model explained 26.0% of the variance in business capacity and 29.4% of the variance in revenue growth, indicating moderate explanatory power.

Table 1. Structural Model Assessment

Relationship	β	t-value	p-value
Training → Business Capacity	0.51	5.707	0
Training → Revenue Growth	0.566	6.374	0
Business Capacity → Revenue Growth	-0.049	0.431	0.666

The results indicate that training has a positive and significant effect on business capacity and revenue growth. However, business capacity does not significantly affect revenue growth.

Mediation Analysis

The indirect effect analysis revealed that business capacity does not mediate the relationship between training and revenue growth. Although training improves business capacity, the improvement does not translate into significantly higher revenue growth.

Discussion

Training Improves Business Capacity

The findings indicate that training has a positive and significant effect on business capacity among microenterprise owners. This result supports Human Capital Theory, which argues that investments in knowledge and skills contribute to improved individual productivity and capability. Through participation in government-sponsored training programs, entrepreneurs acquired practical knowledge related to marketing, financial management, business planning, and operational management.

The result is consistent with previous studies suggesting that entrepreneurial training contributes to the adoption of better business practices. Training provides entrepreneurs with new information, management techniques, and problem-solving skills that may improve day-to-day business operations. In the context of microenterprises, where managerial systems are often informal and heavily dependent on the owner, even modest improvements in managerial knowledge can significantly influence business practices.

The positive relationship between training and business capacity also indicates that the training programs implemented by the local government successfully achieved their immediate objectives. Participants reported greater awareness of marketing activities, improved record-keeping practices, and a stronger understanding of business planning after attending the training sessions. These

findings suggest that training interventions remain an effective instrument for strengthening entrepreneurial capabilities at the microenterprise level.

Training Improves Revenue Growth

The study also found that training has a significant positive effect on revenue growth. This finding suggests that training programs can generate tangible economic benefits for microenterprise owners.

One possible explanation is that training may influence business performance through mechanisms beyond those captured by the business capacity construct. For example, training can increase entrepreneurial confidence, motivation, and willingness to experiment with new business strategies. Entrepreneurs who participate in training may become more proactive in seeking customers, introducing new products, or exploring alternative marketing channels.

The finding is particularly relevant in the context of government-sponsored microenterprise development programs. Critics often question whether training programs generate measurable economic outcomes or merely increase knowledge without affecting business performance. The results of this study suggest that training can contribute to improved business outcomes, at least in the short term.

However, the existence of a significant direct effect alongside a non-significant indirect effect suggests that the mechanisms linking training and revenue growth may be more complex than originally anticipated.

Why Does Business Capacity Fail to Influence Revenue Growth?

The most important finding of this study is the absence of a significant relationship between business capacity and revenue growth. This result contradicts the conventional assumption underlying Human Capital Theory and the Resource-Based View, both of which suggest that improved capabilities should ultimately lead to improved performance. Several explanations may account for this finding.

First, improvements in managerial practices do not automatically generate customer demand. Entrepreneurs may improve financial record-keeping, business planning, inventory management, and marketing practices without experiencing corresponding increases in sales. While these practices may improve operational efficiency, revenue growth ultimately depends on the willingness and ability of consumers to purchase products and services.

This interpretation is supported by the interview findings. Several participants reported that their primary challenge was not a lack of managerial knowledge but limited access to markets. Although they learned new business practices during the training programs, they continued to face difficulties attracting new customers and expanding their market reach. As a result, improvements in business management were insufficient to produce substantial increases in revenue.

Second, the findings suggest that external environmental factors may play a more important role in determining business performance than internal managerial capabilities. Human Capital Theory assumes that improved skills and knowledge lead to higher productivity and better economic outcomes. However, this assumption may not fully apply in local microenterprise contexts where market opportunities remain limited.

Many participants emphasized that declining consumer purchasing power had become a major obstacle to business growth. Even when entrepreneurs improved

product quality, adopted better marketing strategies, or strengthened operational management, sales remained constrained by weak market demand. Under such conditions, managerial improvements alone may be insufficient to generate revenue growth.

Third, the findings highlight the importance of business networks and market linkages. Several interview participants indicated that access to customers, suppliers, and business partners represented a more pressing need than additional managerial training. While training improved their understanding of business management, it did not necessarily provide access to broader distribution channels or commercial partnerships.

This finding is particularly important because many government empowerment programs continue to focus primarily on knowledge transfer. Although knowledge remains important, knowledge alone cannot guarantee business success if entrepreneurs lack access to markets where that knowledge can be effectively applied.

Fourth, the result may reflect what previous researchers have described as the “training-to-performance gap.” Training often succeeds in changing knowledge and behavior, but these changes do not always produce immediate economic outcomes. The benefits of improved managerial practices may require longer periods to materialize than the timeframe captured by this study.

For example, better financial record-keeping may improve business decision-making, but the resulting performance improvements may only become visible after several months or even years. Similarly, strategic planning may enhance long-term business sustainability without necessarily generating immediate increases in revenue.

From a policy perspective, these findings suggest that training should not be viewed as a standalone solution for microenterprise development. While training successfully improves entrepreneurial capabilities, the pathway from capability enhancement to business growth appears to be constrained by factors beyond the control of individual entrepreneurs.

Consequently, local governments should consider adopting a more integrated approach to microenterprise development. In addition to training, policy interventions should include initiatives that facilitate market access, strengthen business partnerships, support product promotion, and connect entrepreneurs with potential buyers. Such interventions may help ensure that improvements in business capacity can be translated into meaningful economic outcomes.

More broadly, the findings suggest that the effectiveness of training programs should not be evaluated solely on the basis of knowledge acquisition or changes in business practices. Policymakers must also consider the broader business environment in which entrepreneurs operate. Without sufficient market opportunities, even well-designed training programs may generate limited economic impact.

The results therefore indicate that training remains a necessary component of microenterprise development, but it is not sufficient on its own. Sustainable business growth requires a combination of entrepreneurial capability, market access, supportive business networks, and favorable economic conditions. The interaction among these factors may explain why business capacity failed to emerge as a significant predictor of revenue growth in the present study.

5. Conclusion

This study examined the relationship between training, business capacity, and revenue growth among microenterprises participating in government-sponsored training programs in Tanah Datar Regency. The findings demonstrate that training significantly improves both business capacity and revenue growth. These results confirm that training remains an effective policy instrument for enhancing entrepreneurial competencies and generating positive business outcomes among microenterprise owners.

However, the study also reveals an unexpected finding. Although training successfully strengthens business capacity, business capacity does not significantly influence revenue growth and therefore fails to mediate the relationship between training and business performance. This result challenges the conventional assumption derived from Human Capital Theory and the Resource-Based View that improvements in managerial capabilities will automatically translate into superior business outcomes.

The qualitative findings provide important insights into this phenomenon. Microenterprise owners reported that limited market access, weak business networks, and declining consumer purchasing power represented more critical constraints than deficiencies in managerial knowledge. Under such conditions, improvements in marketing, financial management, operational management, and business planning may enhance business practices without necessarily generating higher sales or revenue. These findings suggest that external environmental factors play a decisive role in determining whether enhanced business capacity can be converted into economic performance.

The study contributes to the literature by providing empirical evidence that the pathway from training to business performance is not always mediated by internal managerial capabilities. In local microenterprise contexts, external market conditions may be more influential than organizational capabilities in shaping business outcomes. This finding extends previous research on entrepreneurial training by highlighting the importance of contextual factors in determining program effectiveness.

From a policy perspective, the results indicate that training should not be implemented as a standalone intervention. To maximize economic impact, training programs should be complemented by initiatives that facilitate market access, strengthen business partnerships, expand promotional opportunities, and provide post-training assistance. A more integrated approach may enable entrepreneurs to transform newly acquired capabilities into sustainable business growth.

Finally, this study is limited by its relatively small sample size and cross-sectional design. Future research should employ larger samples, longitudinal data, and additional contextual variables such as market access, business networks, digital adoption, and local economic conditions to further explore the mechanisms through which training influences microenterprise performance.

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