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## THE INFLUENCE OF TRAINING, HUMAN RESOURCE DEVELOPMENT, AND COMPETENCE ON THE PERFORMANCE OF SLEMAN DISTRICT MSMEs



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### Abstract

Micro, Small, and Medium Enterprises (MSMEs), as a pillar of the economy, contribute to the state budget. Training, human resource development, and competence are important strategies for shaping good and optimal business performance. This study aims to analyze the effect of training, human resource development (HR), and competence on the performance of micro, small, and medium enterprises (MSMEs) in the Sleman Regency. The study used a descriptive quantitative approach with data collection through questionnaires distributed online to 200 culinary MSME players in Sleman using Google Forms. The sampling technique used was non-probability, as was the quota sampling method. All data obtained has gone through validity and reliability tests to ensure the quality of the instrument. Data were analyzed using descriptive analysis and multiple linear regression at a significance level of 5% ( $\alpha = 0.05$ ). The analysis prerequisite tests include normality, multicollinearity, and heteroscedasticity tests. Hypothesis testing used t-test and F-test. The main findings of this study show that (1) training has a positive and significant effect on the performance of MSME actors; (2) HR development has a positive and significant effect on the performance of MSMEs; (3) competence has a positive and significant effect on the performance of MSME actors; and (4) simultaneously, the three variables of training, HR development, and competence have a significant effect on improving the performance of MSMEs in Sleman Regency. This shows that 77.7% of the performance of MSME actors is influenced by the variables of training, HR development and competence, the remaining 22.3% of the performance of MSME actors is influenced by other factors that have not been examined in this study.

**Keywords:** Training, HR Development, Competence, Performance, MSMEs

## INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) boost the Indonesian economy and contribute significantly to state revenue (Ningsih et al., 2024). MSMEs have strategic advantages in increasing national income, reducing unemployment, and strengthening the national economic structure (Hasbolah et al., 2021). According to information from the Ministry of Cooperatives and SMEs, MSMEs in Indonesia contribute more than 60% of Indonesia's total GDP and about 97% of all labor in Indonesia (Junaidi, 2024). Teten Masduki, Minister of Cooperatives and SMEs (MenKopUKM) stated that the number of business actors in Indonesia is quite large, reaching 64 million people. However, the number of new business actors is only 3.47 percent (Suji'ah et al., 2024).

In line with this, the government also pays special attention to MSMEs that provide access to jobs for people with lower middle-class economies. Referring to the LKPP electronic directory, the government had allocated 40 percent of government spending to MSMEs (Tiara et al., 2023). This support also encourages the development of MSMEs to grow bigger and more efficient so that they can open job opportunities for many parties. MSMEs can also contribute to increased innovation by creating new products (Rizky et al., 2022).

Law No. 20/2008 on MSMEs represents a formal legal step in implementing policies to develop the small-scale business sector in Indonesia. This regulation is a strategic foundation for strengthening business units categorized as MSMEs, which are spread across various key sectors, including manufacturing, services, construction, agriculture, and natural resource exploration, such as mining and quarrying. MSMEs are divided into three main sizes: micro-industry, small, and medium. PP No. 7/2021 discusses the provision of convenience, protection, and empowerment of MSMEs. The size of this industry is differentiated based on total business capital and annual sales turnover. In addition, MSME criteria are also based on the number of employees (Hasbolah et al., 2021).

A company is classified as an MSME if it meets the relevant criteria, assuming it operates actively for 300 days per year. Micro Enterprises are categorized as businesses with maximum assets of IDR 50 million and maximum revenue of IDR 300 million per year, which on average equates to around IDR 1,000,000 per day. On the other hand, small and medium enterprises have a daily turnover of around IDR 8.3 million and IDR 167 million, respectively (Hamzah & Putri, 2021).

MSMEs are one of the newest and most significant solutions for Indonesia's growing labor market. Businesses' semi-formal or non-formal characteristics allow MSMEs to provide various opportunities for home industries in each region. The important findings in this employment-related study make MSMEs an effective preventive measure to strengthen national stability (Budiarto, 2019).

One area with rapid growth of MSMEs is the Sleman Regency. Sleman Regency has many MSMEs, as can be seen through One MSME Data in Sleman Regency, as follows (Department of Cooperatives and SMEs, 2020):

**Table 1.**  
**Number of MSMEs in Sleman Regency**

Types of MSMEs	Quantity
Micro Enterprises	109.964

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Small Enterprises	170
Medium Enterprises	11
Total	110.144

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Source: Data from the Cooperatives, SMEs, and Industry Service of Sleman Regency, 2024

Based on the table above, the total number of MSME actors recorded in Sleman Regency is 110,114 businesses. The number of MSME business actors in Sleman Regency consists of 44,188 men and 29,155 women, with 15,000 young business actors in an age range below 35 years. On the other hand, Sembada UMKM stalls are available as a forum for marketing superior products assisted by the Cooperative and SME Service Office (Kurniawan, 2024).

This shows the great potential of MSMEs in Sleman Regency if they can manage them properly, appropriately and correctly. However, several MSMEs cannot survive and even die due to various problems such as the quality of human resources, the strength of business networks and market penetration, capital difficulties, technical problems, and organizational and management problems (Budiarto, 2019). The management and development of human resource potential is carried out to maximize performance through a qualified, motivated, and competent workforce to achieve optimal performance by involving various aspects ranging from planning, recruitment, selection, development, to performance management of MSME actors. Therefore, the performance of MSME actors is an important factor in achieving goals.

The importance of HR competencies in MSMEs to improve business performance is discussed through HR development strategies, HR development models, and the role of HR competencies in driving performance improvement. In addition, the relevant competencies of MSME managers are also needed to support the improvement of MSME performance (Suyatno & Suryani, 2024). According to Asbullah & Suharno (2022), when business actors effectively and efficiently carry out their duties and responsibilities, MSMEs have a greater opportunity to achieve profits and improve the quality of their performance.

But in reality, not all business owners can achieve optimal performance levels. Some business owners may experience underperformance because they do not have sufficient skills, knowledge or experience to perform their duties well. In this case, relevant agencies must identify skills gaps and provide additional training, development and competency enhancement to MSME actors. Training and competency development are important strategies in shaping good business performance (Mifthahul, 2022).

Training aims to produce superior human resources and ensure alignment between skills and work competencies. The success of a training program can be measured by its ability to increase the workforce's capacity. With increased skills and expertise, work productivity can be pushed towards a more optimal direction, increasing the quality of the products produced (Ukkas & Kasran, 2023). In addition, training also plays an important role in helping the workforce complete their tasks and prepare themselves to face the growing challenges of work (Gustiana, 2022). Education is a long-term process that is not always easy. As technology and knowledge advance, education and training become increasingly important in helping businesses become more creative in achieving their goals (Palimbong et al., 2024).

The Department of Industry and Trade in collaboration with PT Indomarco Prismatama (Indomaret) and Inaco, Sleman Regency until 2023 has trained 75 MSMEs in

Sleman. Besides training, Indomaret also provided MSMEs with carts and 75 production tools as sealers for all training participants (Indomaret, 2023). Many business actors still have not received adequate training considering that the number of MSMEs in Sleman Regency reaches more than 100 thousand business actors. In addition, observations show that business actors who receive training in Sleman Regency do not contribute to sharing their knowledge about the material obtained during training due to their lack of knowledge and skills, so they do not absorb the information obtained. On the other hand, MSME actors do not realize the benefits of training and only focus on the incentives received.

The MSME business sector in Sleman is spread across various types of businesses as in the following table.

**Table 2.**  
**Sleman Regency MSME Business Sector**

No	Business Sector	Quantity
1	Agriculture, Forestry and Fisheries	6805
2	Mining and Quarrying	71
3	Processing Industry	10821
4	Electricity, Gas Procurement	496
5	Water Procurement, Waste Management, Waste and Recycling	226
6	Construction	454
7	Wholesale and Retail Trade, Repair of Automobiles and Motorcycles	29123
8	Transportation and Warehousing	693
9	Provision of Accommodation and Food	25425
10	Information and Communication	693
11	Financial and Insurance Services	21
12	Real Estate	28
13	Corporate Services	346
14	Government Administration, Defense and Compulsory Social Security	8
15	Educational Services	305
16	Health Services and Social Activities	199
17	Other Services	34716
	Total	110143

Source: Data Dinas Koperasi, UMK, and Perindustrian Kabupaten Sleman, 2024

In addition to training to improve the performance of business actors, another approach that can be used is HR development. Proper HR development is crucial in supporting the competitiveness and sustainability of MSMEs. The challenge of human resources in MSMEs is that many have difficulty finding labor that suits their operational needs, both in competence and budget. On the other hand, increasing competence also affects the performance of business actors. High competence will make it easier for businesses to face challenges better, perform better, and contribute more to increasing business profits.

The Sleman Regency Cooperatives, SMEs, and Industry Office provide government support for MSMEs. The support is training to improve skills and development to prepare

MSMEs for higher responsibilities. Training, HR development and MSME competency development have various effects on the performance of Sleman Regency MSMEs (Department of Cooperatives and SMEs, 2020). For this reason, training, HR development and competency development are important for Sleman Regency MSMEs' sustainability. This study focuses on MSME players in Sleman Regency as a Regency with developing MSMEs. This study focuses on the effect of training, HR development, and competence on the performance of Sleman Regency MSME players.

## REVIEW OF LITERATURE

### Training

Training according to Mifthahul (2022) is an effort to develop or assess a person's ability to have the capacity to improve their skills, thinking, and attitudes to effectively solve long-term problems for a company or institution to improve employee performance and productivity and help them deal with demands and changes in the work environment. On the other hand, Permen of Cooperatives and SMEs Number 18 of 2015 states that training is an effort carried out methodically and attentively to increase human capital and abilities. According to Mangkunegara (in Wahyuningsih, 2019) and Rachmania & Khoiri (2022), effective training has several key indicators that need to be considered, namely: 1) Training Objectives. Each training program must have clear and realistic targets, so that the implementation of training is directed at improving employee skills. With measurable objectives, training is expected to optimize individual potential and expand understanding of the importance of work ethics that must be applied in the work environment; 2) Training Materials. The materials presented in the training cover various topics relevant to the organization's needs, such as administrative management, preparation of official manuscripts, work psychology, communication in the work environment, discipline and professional ethics, leadership, and techniques in preparing work reports; 3) Training Methods. The training approach uses participatory methods, which involve various techniques such as group discussions, conferences, simulations, role plays (demonstrations), educational games, classroom exercises, examinations (tests), teamwork, and comparative studies; 4) Qualifications of Participants and Trainers. In terms of participants, training should be attended by employees who have met the company's quality standards of human resources. From the qualifications of trainers or instructors, they are tasked with delivering training materials with the criteria of having a strong connection to the learning material, motivating students, and using participatory methods.

Hypothesis 1: Training has an effect on the performance of MSME actors in Sleman Regency  
**Human Resources Development (HRD)**

Kurniawati in (Gustiana, 2022), states that HR development is a continuous effort from the organization to improve the competence of the workforce in the long term, ensure the availability of personnel by needs, and encourage increased individual and organizational productivity simultaneously. Furthermore, according to Krismiyati in (Hia & Ndraha, 2023) and Andika (2019) there are several important indicators in HR development, namely: 1) Motivation, which is the drive that encourages individuals to work optimally for the achievement of goals. This motivation can come from external factors such as the influence of superiors, as well as from within the individual himself, such as the drive for achievement;

2) Personality, includes individual attitudes, traits, and habits formed in interactions with others and is closely related to values, norms, and moral behavior, such as integrity, ethics, and responsibility; 3) Skills, refers to the ability to handle tasks. Effective skills can be acquired by practicing alone or through training.

Hypothesis 2 : Human resource development has an effect on the performance of MSMEs in Sleman Regency.

### **Competence**

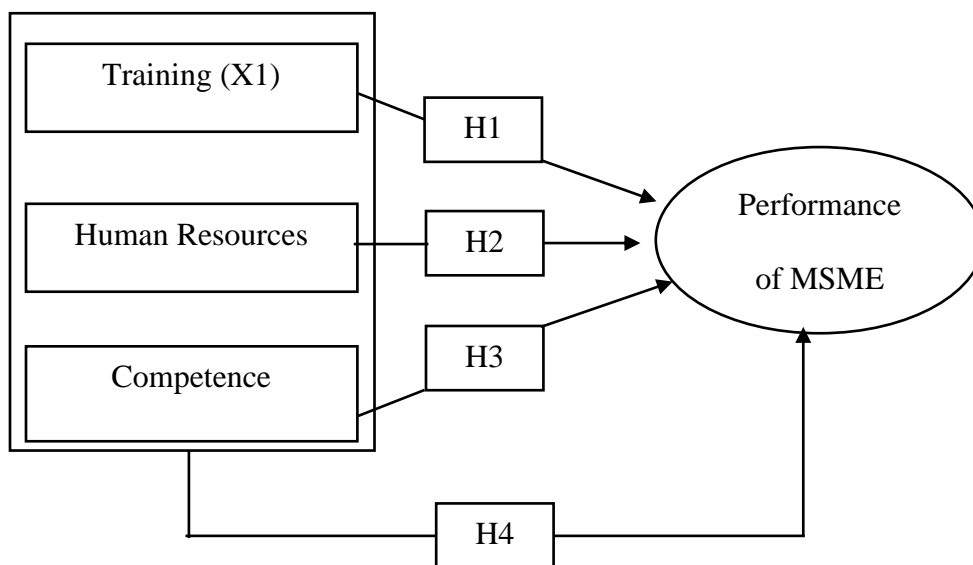
According to Wibowo in (Suhardi, 2019), competence is an individual's capacity to achieve satisfactory work results in a professional environment. This includes the ability to transfer and implement knowledge and skills into various new situations to produce mutually agreed benefits. In line with this view, Sutrisno in suggests that competence reflects a form of ability rooted in knowledge and skills, which is strengthened by a positive work attitude, and is applied in carrying out duties and obligations based on applicable work standards in an organization. Wibowo in (Trisdiana et al., 2023), identified three main indicators in competence, namely: (1) Knowledge, namely information mastered by employees in carrying out tasks by their field of work. This knowledge is an important factor in determining the success of the assigned tasks while supporting the improvement of company efficiency; (2) Skills, as a form of technical ability that allows employees to complete tasks optimally according to organizational expectations; and (3) Attitude, which is behavior that reflects responsibility and conformity with the regulations applied by the company in carrying out daily work.

Hypothesis 3 : Competence influences the performance of MSME actors in Sleman Regency.

### **Performance**

Performance can improve significantly if supported by good quality human resources and relevant competencies aligned with the duties and responsibilities. These competencies can be improved through training facilitated by the company as a form of long-term investment in individual capacity development. This training is intended to positively impact employee performance, while supporting the Performance itself can be evaluated through quantitative and qualitative indicators, which reflect the level of success in achieving work targets. According to Afandi (in Mifthahul, 2022) identifies five main indicators of performance, namely: 1) Quantity of Work Results which refers to the amount of output produced; 2) Quality of Work Results related to the quality of work; 3) Initiative that reflects the ability of employees to act independently and proactively; 4) Accuracy that shows accuracy and conformity of work results with goals; and 5) Leadership, namely the ability to influence and become a role model in the work environment. Therefore, companies need to consistently develop the competencies of their employees in order to respond to organizational dynamics more effectively and be highly competitive.

Hypothesis 4 : Training, Human Resource Development and Competence have a joint influence on the performance of MSMEs in Sleman Regency.



**Figure 1**  
**Research Framework**

## RESEARCH METHOD

This research uses a quantitative approach with a causal design. This study analyzes the training, HR development, and competence variables on the performance of Sleman Regency MSME business actors. The population of this study were all Sleman Regency MSME players. Samples were obtained from the Accommodation and Drinking Food Provision business sector by non-probability quota sampling totaling 200 respondents with criteria, namely 1) minimum high school education, 2) culinary MSMEs that have received training, and 3) age. culinary MSMEs that have received training, and 3) a minimum age of 20 years. Sample collection will be stopped if the research sample quota has been met. Data collection using a questionnaire distributed via google form with a 5-point Likert scale used to measure each characteristic. Before use, the research instrument was tested for validity and reliability (Sugiyono, 2019). Analysis of  $r_{count} > r_{table}$  to calculate validity and Cronbach's Alpha to calculate instrument reliability. Data analysis using descriptive analysis is used to provide an overview of the characteristics of respondents. Prerequisite analysis tests include normality test, multicollinearity test, and heteroscedasticity test. Regression analysis with multiple linear regression analysis and hypothesis testing using the t and F tests. The hypothesis is accepted if the significance value ( $p$ ) is less than the specified alpha ( $\alpha=0.05$ ).

## RESULTS AND DISCUSSION

### Validity and Reliability Test

Testing the instrument's validity in this study involved 30 respondents as an initial sample. This number was chosen to ensure that the validity test process takes place in a representative and relevant manner in describing the study's target population. An item or

question item in the questionnaire is declared valid if it has a correlation that significantly affects the overall value. Based on the range value of the 40 statements tested on respondents, it meets the criteria with  $r_{count} > 0.3610$  so that it can be said that it is valid or the statement has been appropriately used to measure training variables, HR development, competency variables and the performance of MSME actors. The results of the research questionnaire validity test are shown in the following table.

**Table 3.**  
**Validity Test**

Variable	r count	r table	Note
X1.1	0,800	0.3610	Valid
X1.2	0,845		Valid
X1.3	0,777		Valid
X1.4	0,913		Valid
X1.5	0.866		Valid
X1.6	0,799		Valid
X1.7	0,723		Valid
X1.8	0,795		Valid
X1.9	0,768		Valid
X1.10	0,864		Valid
X2.1	0,933	0.3610	Valid
X2.2	0,891		Valid
X2.3	0,838		Valid
X2.4	0,859		Valid
X2.5	0,479		Valid
X2.6	0,850		Valid
X2.7	0,858		Valid
X2.8	0,704		Valid
X2.9	0,828		Valid
X2.10	0,868		Valid
X3.1	0,714	0.3610	Valid
X3.2	0,804		Valid
X3.3	0,892		Valid
X3.4	0,924		Valid
X3.5	0,824		Valid
X3.6	0,827		Valid
X3.7	0,649		Valid
X3.8	0,887		Valid
X3.9	0,855		Valid
X3.10	0,854		Valid
Y1	0,813	0.3610	Valid
Y2	0,858		Valid
Y3	0,916		Valid
Y4	0,826		Valid
Y5	0,893		Valid
Y6	0,871		Valid

Y7	0,890	Valid
Y8	0,872	Valid
Y9	0,879	Valid
Y10	0,835	Valid

Source: Primary data processed

The results of the reliability test on the variables used are shown as follows.

**Table 4.**  
**Reliability Test**

Construct	Cronbach's Alpha
Training	0,962
Human Research Development	0,947
Competence	0,944
Performance	0,943

Source: Primary data processed

Based on the data processing results, the variables in this study show a Cronbach's Alpha value of more than 0.70, which indicates a high level of reliability on statement items that have been declared valid. Thus, these variables are considered reliable and suitable for use in the research analysis process.

### Respondent Characteristics

The data from the analysis of respondent characteristics are represented as follows.

**Table 5.**  
**Respondent Demography**

No.	Criteria	Note	Frequency	Percentage
1.	Age	<20 years	6	3,0
		20-40 years	94	47,0
		>40 years	100	50,0
2.	Gender	Men	57	28,5
		Women	143	71,5
3.	Income	<Rp.1.000.000	45	22,5
		Rp.1.000.000-Rp.4.000.000	120	60,0
		>Rp.4.000.000	35	17,5
4.	Education	SD/SMP	7	3,5
		SMA	105	52,5
		D3/S1	82	41,0
		S2/S3	6	3,0
5.	Duration of business	<1 years	23	11,5
		1-5 years	107	53,5
		>5 years	70	35,0
6.	MSMEs category	Food	130	65,0
		Drink	36	18,0
		Accommodation Supplier	34	17,0

Source: Primary data processed

Based on the table of respondent characteristics above, it can be seen that the dominant age is at the age of > 40 years with the number of respondents 100 and the percentage of respondents is 49.8%. Female respondents dominate with 143 respondents and 71.1% of the total respondents. The most dominating respondent income is Rp.1,000,000-Rp.4,000,000 with 121 respondents and a percentage of 60.2%. The last education of respondents who dominated was high school with 105 respondents and a percentage of 52.2%. The respondents have been running their MSME business for several years with the most years being 1-5 years, which has 107 respondents and a percentage of 53.2%. Meanwhile, the Culinary MSME category is mostly from the food business sector, totaling 130 businesses with a percentage of 65%.

### Prerequisite Test Analysis

#### Normality Test

The representation of the normality test is presented as follows.

**Table 6.**

#### Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		200
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	2.26192275
Asymp. Sig. (2-tailed) <sup>c</sup>		.200 <sup>d</sup>

Source: Primary data processed

The value of Asymp Sig. (2-tailed) value exceeds the significance limit of 0.05. This indicates that the data distribution does not deviate significantly from the normal distribution, making it suitable for use in parametric statistical analysis.

#### Multicollinearity Test

The following table presents the results of the multicollinearity test.

**Table 7.**

#### Multicollinearity Test

Model	Coefficients <sup>a</sup>		Notes
	Collinearity Statistics		
	Tolerance	VIF	
Training (X1)	0,352	2,841	No
HR Development (X2)	0,372	2,687	multicollinearity
Competence (X3)	0,342	2,921	

a. Dependent Variable: Performance (Y)

Source: Primary data processed

The table above shows that the variables have a tolerance value of more than 0.10 and a VIF value of less than 10. Thus, it can be concluded that all variables are free from indications of multicollinearity.

#### Heteroscedasticity Test

The results of the heteroscedasticity test are presented in the table below.

**Table 8.**  
**Heteroscedasticity Test**

Model	Coefficients <sup>a</sup>		Std coeff	t	Sig.
	Unstd Coeff				
	B	Std. Error	Beta		
(Constant)	5.168	.965		5.356	.000
Training	-.046	.034	-.155	-1.338	.182
HR Development	-.076	.038	-.224	-1.986	.148
Competence	.036	.034	.126	1.066	.288

a. Dependent Variable: abs res

Source: Primary data processed

Based on the data in the table above, all variables studied, namely training, human resource development (HRD), and competence, show a significance value greater than 0.05. This indicates no symptoms of heteroscedasticity in the regression model used. Thus, it can be concluded that the model fulfills the assumption of homoscedasticity, which means that the variance of the residuals is constant. The regression model is suitable for further analysis without being disturbed by heteroscedasticity problems.

**Hypothesis Test**

**F Test**

The results of the F (simultaneous) test are shown as follows.

**Table 9.**  
**F Test**

Model		ANOVA <sup>a</sup>			F	Sig.
		Sum of Squares	df	Mean Square		
1	Regression	3614.337	3	1204.779	231.929	.000 <sup>b</sup>
	Residual	1018.143	196	5.195		
	Total	4632.480	199			

a. Dependent Variable: Performance (Y)  
b. Predictors: (Constant), Competence (X3), HR Development (X2), Training (X1)

Source: Primary data processed

Based on the output table above, the F statistical value of 231.929 with a significance level of 0.000 which is smaller than 0.05 indicates that the training, HR development, and competency variables simultaneously significantly affect the performance of MSME actors. This finding confirms that fluctuations in the performance of MSME actors are strongly influenced by how effective their training, HR development, and competencies are.

**t Test**

The results of the t test in this study are shown as follows.

**Table 10.**  
**t Test**

Model	Unstd Coeff	Std coeff	t	Sig.	Decision
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	B	Std. Error	Beta			
1 (Constant)	3.877	1.540	2.517	.013		
Training (X1)	.240	.055	.246	4.357	.000	Accepted
HR Development (X2)	.126	.061	.113	2.065	.040	Accepted
Competence (X3)	.552	.054	.588	10.266	.000	Accepted

a. Dependent Variable: Performance (Y)

Source: Primary data processed

Based on the test results above, the regression equation is obtained as follows.

$$Y = 3.877 + 0.240X1 + 0.126X2 + 0.552X3 + e$$

The analysis resultsof the training, HR development and competency variables show a positive and significant influence on the performance of MSME actors. This is indicated by the training variable (B = 0.240; p = 0.000 <0.05), the HR development variable (B = 0.126; p = 0.040 <0.05) and the competency variable (B = 0.552; p = 0.000 <0.05). Thus, the three variables of training, HR development, and competence partially have a positive and significant influence on the performance of MSME actors.

#### Determination Coefficient Test (R<sup>2</sup>)

**Table 11.**  
**R Square Test**

Model	R	R Square	Model Summary	
			Adjusted R Square	Std. Error of the Estimate
1	.883 <sup>a</sup>	.780	.777	2.279

a. Predictors: (Constant), Competence (X3), HR Development (X2), Training (X1)

Source: Primary data processed

The adjusted R square value is 0.777. This shows that 77.7% of the performance of MSME actors is influenced by the variables of training, HR development and competence, the remaining 22.3% of the performance of MSME actors is influenced by other factors that have not been examined in this study.

#### The Effect of Training on the Performance of Sleman Regency MSME Actors

The training variable has a positive and significant effect on improving the performance of MSME actors in Sleman Regency. This finding indicates that the more optimal the implementation of training programs attended by MSME actors, the higher the performance they are able to achieve. In other words, training plays an important role in shaping competencies and work skills that support the productivity and effectiveness of MSME actors in running their businesses optimally. This shows that proper and sustainable training can have a real impact on the productivity and quality of work of individuals in an organization. In general, employee performance can be influenced by two categories of factors, namely intrinsic and extrinsic factors. Intrinsic factors include personal and internal aspects of the employees themselves, such as level of education, work experience, internal motivation, health conditions, age, technical skills, emotional conditions, and spirituality (Ridwan, 2023). Meanwhile, extrinsic factors involve external aspects originating from the work environment, such as physical and non-physical conditions in the workplace, superior leadership style, implementation of training both vertically and horizontally, supervision or

supervision system, availability of work facilities, workload given, operational procedures that apply, and the reward and punishment system applied in the company.

Furthermore, the results of a study by Nugroho & Iryanti (2023) show that training, coaching, and entrepreneurial skills development make a significant contribution to the performance of MSME actors. A positive and significant effect means that the better the quality of training and coaching for MSME actors, the higher their performance in running a business. This reinforces the importance of training as one of the strategic instruments in human resource development, both in the formal and informal sectors. Similar findings were also obtained by Hirzi et al. (2024), which showed that training variables have a significant impact on employee performance. Training and development in organizations have a positive impact on businesses and improve their performance and development. Training and development is often used to reduce the gap between current performance and future performance (Chuan Terng & Ahmad, 2021). The combination of improving skills, technical abilities, discipline, and motivation, the capacity of individuals to complete work and face work challenges will be optimized (Saharso & Asda, 2024).

### **The Influence of Human Resource Development on the Performance of MSMEs in Sleman Regency**

The variable of human resource development has a positive and significant effect on the performance of MSMEs in Sleman Regency. This finding is in line with the results of previous research by Handoko & Wahyudi (2024), which stated that the more optimal the human resource development efforts carried out, the higher the level of performance that individuals can achieve in carrying out their duties and responsibilities.

The results of research conducted by Sufyati & Savitri (2021) also strengthen this finding by showing that human resource (HR) development and increasing individual competence significantly influence the performance of MSMEs. Among the variables studied, HR competence is the most dominant contributor to performance. This indicates that to increase the competitiveness of MSMEs, an HR development strategy that focuses on increasing competence is needed, especially in terms of innovation, creativity, and utilization of digital technology. In other words, the success of MSMEs is greatly influenced by the ability of HR to adapt to developments in the era and implement relevant knowledge and skills.

In line with this, research by Loliyana & Loliyani (2024) also confirms that HR development significantly influences employee performance variables. HR development includes technical training and increasing individual capacity as a whole, both in terms of managerial, leadership, and soft skills. Therefore, HR development efforts need to be the primary focus in policies to increase the productivity of MSME actors so that they can compete sustainably amidst the dynamics of the economy and technology that continue to develop. HR development is an important predictor of organizational performance and has the potential to drive organizational innovation. The involvement of business actors will be fostered with this, which in turn has an impact on improving organizational performance and also increasing welfare and development for employees to influence the behavior of business actors and thus promote business goals (Alsafadi & Altahat, 2021).

### **The influence of Competence on the Performance of MSMEs in Sleman Regency**

There is a positive and significant relationship between the competency variable and the performance of MSMEs in Sleman Regency. This result indicates that the higher the

competency possessed by MSMEs, the higher the quality of the business performance. The competencies include knowledge, skills, and work attitudes relevant to business operational needs. The competencies in question include technical, managerial abilities, and skills in responding to market changes and utilizing business opportunities effectively.

This finding aligns with research by Pratopo et al. (2020), which concluded that entrepreneurial competence significantly influences the performance of MSMEs. Entrepreneurial competence, such as decision-making skills, leadership, innovation, and business management, has increased business competitiveness and success (business performance). This proves that competence is one of the most important factors in determining the success and sustainability of small and medium businesses, especially in a dynamic market environment.

In addition, the research results by Nuraini et al. (2024) also showed that competency variable positively and significantly affects MSME performance. MSME actors with high competence tend to be more adaptive to change, can manage resources efficiently, and have a clear vision and strategy in running their business. Strong competence allows business actors to not only survive but also develop and expand their market reach. High competence is an important requirement for employees to adapt to changes in the business environment. Human capital factors and employee personal characteristics also influence overall performance achievement (Sabuhari et al., 2020).

#### **The Influence of Training, Human Resource Development, and Competence on the Performance of MSMEs in Sleman Regency**

The variables of training, human resource development, and competence simultaneously have a positive and significant effect on the performance of MSMEs in Sleman Regency. This means that the better the quality of training provided, the more optimal the human resource development program, and the higher the level of competence possessed by MSMEs, the more it will directly impact improving the performance of the businesses they run. These three variables, both together and individually, play an important role in determining the extent to which MSMEs can run their businesses effectively, efficiently, and oriented towards sustainable growth.

This is further supported by the research results of Giovanni & Ali (2024), which states that there is a positive and significant effect between training on performance, motivation on performance, and competence on performance. Well-designed training can improve MSMEs' knowledge and skills, so they are ready to face challenges in business operations. Each employee's needs determine the training program's targets and are also in line with the resources available. Training refers to educational programs to increase productivity related to current work (Niati et al., 2021). On the other hand, technical, managerial, and interpersonal competencies have proven to be crucial factors in increasing productivity and work quality. Motivation as an internal driver also plays a major role in encouraging business actors to continue to develop and not give up easily when facing business pressures.

Rudiansyah et al. (2024) also support this finding by showing that HR development significantly affects employee work enthusiasm. HR development also indirectly impacts improving performance, because high work enthusiasm will create a productive and collaborative work environment. In the context of SMEs, HR development includes various

efforts such as training, coaching, capacity building, and creating a work climate that supports personal and professional growth.

## CONCLUSION

Partial training has a positive and significant effect on the performance of MSME actors. Training allows business actors to meet their goals and targets to learn new work concepts and add skills to increase performance. Partial human resource development has a positive and significant effect on the performance of MSME actors. Good quality human resources will increase the knowledge, skills and abilities of MSME actors so that performance will also increase. Competence partially has a positive and significant effect on the performance of MSME actors. MSME actors who have good competence individually and as a team will be more successful in running their businesses, increasing productivity and achieving targets as set. Increased competence will increase performance. The results of the simultaneous test obtained that the variables of training, human resource development and competence together significantly affected the performance of MSME actors in Sleman. Collaboration between training, human resource development and competence that are right on target and by the needs of business actors will together improve the performance of MSME actors in Sleman. Suggestions for the local government to provide training and human resource development to all MSME actors so that the quality of human resources is evenly distributed to all business actors and accompanied by competency assessments so that they can provide evaluation and feedback on the performance of MSME actors in the future. This study uses a cross-sectional technique in the Sleman area so that it cannot be generalized to other areas. This makes it difficult to record changes or developments in consumer behavior over time (Benli & Ferman, 2019). The implications of this study contribute to broadening understanding of the importance of training, human resource development, and competency as determining factors for increasing work productivity, as well as a reference for MSME actors in managing and developing businesses sustainably.

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