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# Analysis of the Influence of Training and Education on the Development of MSMEs in the Community of Kwala Serapuh Langkat Village Moderated by Motivation Variables

Suwarno\*1, Rindi Andika2, Daud Arifin3, Nia Deniati Lumbangaol4

1,2,3,4 Management Study Program, Universitas Pembangunan Panca Budi, Indonesia Correspondence Email: <a href="mailto:warno@dosen.pancabudi.ac.id">warno@dosen.pancabudi.ac.id</a>

Abstract. This study aims to analyze the Influence of Training and Education on the Development of MSMEs in the Community of Kwala Serapuh Langkat Village Moderated by Motivation Variables. This study uses a quantitative method with a survey approach. The research population is all MSMEs in Kwala Serapuh Langkat village, which is as many as 120 MSMEs. The research sample is 70 MSMEs selected by the purposive sampling method. The research data was collected through questionnaires. Data analysis using SEMPLS. The government and related parties need to improve training and education programs for MSME actors. MSMEs need to increase awareness of the importance of training and education for their business development. In addition, training and education can also increase the motivation of MSME managers to develop their businesses. The results of this study directly show that Motivation does not have a significant positive influence on the development of Community MSMEs. Training has a significant positive influence on the development of Community MSMEs. Training does not have a significant positive influence on the development of Community MSMEs. Education has a significant positive influence on Community Motivation. Education has a significant positive influence on the development of community MSMEs. Meanwhile, indirectly, the training does not have a significant positive influence on the Development of Community MSMEs Moderated by Motivational Variables. Education does not have a significant positive influence on the Development of Community MSMEs Moderated by Motivation Variables

**Keywords:** Training, Education, MSME Development, Motivation

#### INTRODUCTION

A country's economic growth is influenced by two sectors, namely the formal and informal sectors. The informal sector as a small-scale business with limited capital, scope, and development and very little official economic protection from the government. The existence of the informal sector is a matter where the people's economy can take place in a balanced and sustainable manner. In reality, the informal sector can be a reliable sector for economic growth, this is marked by the informal sector being a reservoir and alternative to job opportunities

MSMEs are one of the pillars of Indonesia's economy. MSMEs account for around 60% of Indonesia's Gross Domestic Product (GDP) and absorb more than 97% of the workforce. This shows that MSMEs have an important role in Indonesia's economy. MSMEs generally have limitations in terms of knowledge and skills, especially in human resource development. This can hinder the

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development of MSMEs. This can hinder the development of MSMEs. In addition, MSMEs also often face challenges in running their businesses, such as fierce competition and regulatory changes.

MSMEs in Indonesia face various challenges. One of the main challenges is the lack of digitalization, which can hinder the competitiveness of products and services. Digitalization can also be a potential solution to improve communication skills, interpersonal skills, as well as company operations and MSME performance (Fridayani et al., 2022). Other challenges faced by MSMEs in Indonesia are lack of capital, difficulties in marketing, and procurement of raw materials (Gandhi et al., 2021). Informal MSMEs, which are an important part of MSMEs in Indonesia, also face challenges such as low credibility, reputation, and limited access to business (Shinozaki, 2022). Innovation is seen as a potential solution to increase the competitiveness of products and services and improve the performance of MSMEs. Forms of innovation that can be carried out by a business in an effort to increase its competitiveness include business model innovation, marketing, organization, process and technology, products, services, and supply chains.

In its implementation, MSMEs are prepared a separate regulation, namely about micro, small and medium enterprises (MSMEs) are defined in terms of definition and criteria, namely micro businesses are productive owned by individuals and or individual business entities that meet the criteria for micro businesses as regulated in this law, small businesses are independent productive economic enterprises, which are carried out by individuals or business entities that are not subsidiaries or non-subsidiaries companies that are owned, controlled, or are part of either directly or indirectly of medium or large enterprises that meet the criteria of small businesses. Medium enterprises are independent productive economic enterprises, carried out by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or part either directly or indirectly with small businesses or large enterprises with the amount of net worth or annual sales as regulated in this law.(Law Number 20, 2008)

MSMEs are (Undang-Undang Nomor 20, 2008) explained in the report that the business world is divided into Micro Enterprises, Small Enterprises, Medium Enterprises and Large Enterprises. The segmentation of micro, small and medium enterprises is often classified specifically because it represents the small segment of the people as Micro, Small and Medium Enterprises (MSMEs). Based on this (Undang-Undang Nomor 20, 2008), MSMEs are productive businesses that meet business criteria with certain limits on net worth and annual sales results. The goal of MSMEs is to grow and develop their businesses in order to build a national economy based on a just economic democracy.

The success of micro businesses is influenced by a variety of factors, including education, training, and motivation. Education and training are essential for entrepreneurs to acquire the skills and knowledge necessary to run their businesses successfully. Formal entrepreneurial education, training, and development are recommended for entrepreneurs (Ezennia & Mutambara, 2020). Institutional support, such as policies and strategies, plays an important role in sustaining micro enterprises during disasters (Farisani, 2022). In addition to education, training, and motivation, other factors can affect the success of a micro business. For example, the marketing mix, market orientation, and customer relationship management can affect the marketing performance of micro businesses (Oktora & Hermawan, 2022). Entrepreneurial capital is also important in encouraging the growth of womenowned businesses (Ndururi et al., 2019). Access to markets is essential for micro-enterprises, and the characteristics of entrepreneurs can affect their ability to access markets (Ambrose Ng'ang'a & Nyang'au, 2022). Infrastructure, including information and communication technology, is also important for market accessibility (Ambrose Ng'ang'a & Nyang'au, 2022). Compliance with quality standards can also have an impact on the business performance of small, medium, and micro businesses (Chile & Matsiliza, 2021).

Small and Medium Enterprises can make a considerable contribution to the formation of national products, increase exports and expand employment opportunities, as well as increase income, as well as reduce unemployment and poverty rates. The existence of small and medium enterprises cannot be separated from national economic growth because small businesses are a form of economic life as a large part of the Indonesian people. Considering the large number of unemployed and not everyone has a high educational background to get a job, the existence of these MSMEs can provide great opportunities for labor absorption for people who do not have higher education or small and medium communities and can be used as one of the sources of income. The community can realize in terms of MSME development, which is very important to be able to realize a good community economy. Various

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activities are carried out to develop SMEs in the midst of increasingly fierce business competition. Not only domestic competition, but the development of SMEs also aims to be able to compete with products from abroad, Even at this time each region in Indonesia is moving to develop MSMEs.

MSMEs in Kwala Serapuh Langkat village generally have limitations in terms of knowledge and skills, this can hinder the development of MSMEs. MSMEs in Kwala Serapuh Langkat village are still struggling to get access to capital from financial institutions. This can hinder the growth of MSMEs. The condition of infrastructure in Kwala Serapuh Langkat village is still inadequate. This can hinder the development of MSMEs. Despite facing various challenges, MSMEs in Kwala Serapuh Langkat village also have great potential to develop.

Training and education can improve the knowledge and skills of MSME managers. This can help MSMEs to manage their businesses more effectively and efficiently. In addition, training and education can also increase the motivation of MSME managers to develop their businesses. Motivation is one of the important factors in the development of MSMEs. MSME managers who have high motivation will be more eager to develop their businesses.

# LITERATURE REVIEW Definition of MSMEs

Micro, Small and Medium Enterprises or often abbreviated as MSMEs are one of the important parts of the economy of a country or region, as well as the state of Indonesia. Micro, Small and Medium Enterprises are small and medium-scale people's economic activities and need to be protected to prevent unfair business competition. MSMEs in Indonesia contributed significantly during the crisis experienced in the period 1998 to 2000. MSMEs in Indonesia have received attention and guidance from the government by creating a portfolio of ministries, namely the Minister of Cooperatives and SMEs (<a href="https://www.depkop.go.ic">www.depkop.go.ic</a>).

According to (Tambunan, 2013) MSMEs, they are independent productive business units, which are carried out by individuals or business entities in all economic sectors. According to (Undang-Undang Nomor 20, 2008) Micro, Small and Medium Enterprises are:

- 1. Micro Enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro Enterprises as regulated in this Law.
- 2. Small Business is an independent productive economic enterprise, which is carried out by an individual or business entity that is not a subsidiary or not a branch of a company owned, controlled or is part either directly or indirectly of a Medium Business or Large Business that meets the criteria for Small Business as intended in this Law.
- 3. Medium Enterprises are stand-alone productive economic enterprises, which are carried out by individuals or business entities that are not subsidiaries or branches of companies owned, controlled or part either directly or indirectly with Small Enterprises or Large Enterprises with the amount of net worth or annual sales as regulated in this Law.

### **Definition of MSME Development**

In the current Indonesia economy, Micro, Small and Medium Enterprises (MSMEs) are the business groups that have the largest number of participants. MSMEs are also a poverty alleviation that occurs at this time, from these problems, of course, there needs to be development or empowerment carried out for the process of growing MSMEs that are being carried out, especially for several groups of business actors who have limitations both in knowledge and material. In realizing highly competitive MSMEs, of course, development is also needed which is inseparable from the assistance of government agencies, namely the Manpower, Cooperatives and Small and Medium Enterprises Office.

### **Definition of Training**

Training is an important thing in a company. Training is considered as one of the successes of an employee in supporting his career in the world of work. To increase motivation and performance to make these employees become professional employees in their fields. Various definitions of employee training put forward by experts. According to Chan ini (Priansa, 2017), training is a learning provided to improve performance related to current work. There are two implications in this sense. First, current performance needs to be improved to create a gap between the knowledge and abilities of current

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employees, and the knowledge and abilities needed today. Second, learning is not to meet future needs, but to be used immediately.

### **Definition of Education**

The definition of education according to (Law of the Republic of Indonesia Number 20, 2003) the National Education System is a conscious and planned effort to create a learning atmosphere and learning process so that students actively develop their potential to have religious spiritual strength, self-control, personality, intelligence, noble character, and skills needed by themselves, society, nation and state. The function of national education according to the law is to develop abilities and form a dignified national character and civilization in order to educate the nation's life, aiming to develop the potential of students to become human beings who believe in and fear God Almighty, have noble character, are knowledgeable, capable, creative, independent, and become democratic and responsible citizens.

#### **Definition of Motivation**

According to (Robbins & Timothy, 2016) motivation, it is a willingness to carry out high efforts to achieve organizational goals conditioned by the ability to make efforts to meet certain individual needs. According to (Wibowo, 2016) Motivation is the impetus of a series of human behavioral processes to achieve goals. Meanwhile, motivation according to (Sutrisno, 2011) in (Hamali, 2016) Motivation is a factor that encourages someone to do a certain activity, therefore motivation is often interpreted as a driving factor for a person's behavior.

### **METHODOLOGY**

### **Research Materials**

In this study, the author uses a quantitative research method. According to (Sugiyono, 2018), quantitative research is a research method based on the philosophy of positivism to examine a certain population or sample, and sampling is carried out randomly by collecting data using instruments, as well as statistical data analysis. The quantitative research paradigm is considered as a causal relationship between research variables (Sugiyono, 2018). This study uses associative research techniques. Associative research is research to determine the causal relationship (cause effect relationship, cause effectual relationship) between two or more variables with the aim of explaining certain symptoms or phenomena (Quantitative and Qualitative Research Methods Book, 2020).

### **Population and Sample**

According to (Sugiyono, 2018) population, it can be interpreted as a generalization area consisting of objects and subjects that have certain qualities and characteristics that are determined by the researcher to be studied and then drawn conclusions. The population in this study is 120 respondents from the community of Kwala Serapuh Langkat village.

Meanwhile, the sample according states that the sample is part of the number and characteristics possessed by the population. In this study, the researcher chose a random sampling technique or random sampling/probability sampling. Where the techniques and samples that the researcher uses randomly, regardless of the sample on the basis of strata or social status in any aspect. According to (Sugiyono, 2018) Probability sampling is a sampling technique that provides an equal chance for each element (member) of the population to be selected as a member of the sample. The sample that will be used as the object of research in this proposal is the MSME actors of the Kwala Serapuh Langkat village community whose number has been determined based on the calculation of a formula. In this study, the researcher determined a sample of 70 respondents.

#### **Data Analysis Methods**

Data analysis was carried out using the Partial Least Square (PLS) method using SmartPLS software version 4. PLS is one of the methods of solving Structural Equation Modeling (SEM) which in this case is more compared to other SEM techniques. SEM has a higher level of flexibility in research that connects theory and data, and is able to perform path analysis with latent variables, so it is often used by researchers who focus on social sciences. Partial Least Square (PLS) is a fairly powerful method

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of analysis because it is not based on many assumptions. The data also do not have to be normally distributed multivariate (indicators with categorical scales, ordinals, intervals to ratios can be used on the same model), the sample does not have to be large (Ghozali, 2013).

Partial Least Square (PLS) can not only confirm the theory, but also to explain whether or not there is a relationship between latent variables. In addition, PLS is also used to confirm theories, so that in prediction-based research, PLS is more suitable for analyzing data. Partial Least Square (PLS) can also be used to explain the existence or absence of relationships between latent variables. Partial Least Square (PLS can simultaneously analyze constructed constructs with reflexive and formative indicators. This cannot be done by a covariant-based SEM because it will be an unidentified model.

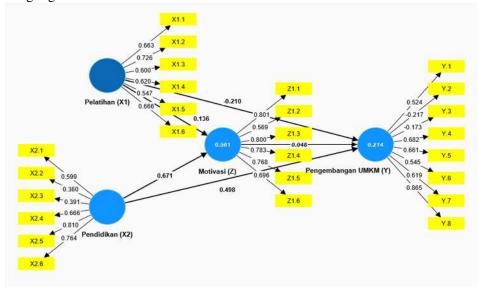
The selection of the Partial Least Square (PLS) method is based on the consideration that in this study there are 4 latent variables formed by reflexive indicators and variables measured by a second order factor reflexive approach. The reflexive model assumes that the constituent or latent variable affects the indicator, where the direction of the causal relationship from the construct to the indicator or manifest is so that confirmation of the relationship between latent variables is required (Ghozali, 2013). The approach to analyzing the second order factor is to use the repeated indicators approach or also known as the hierarchical component model. Although this approach repeats the number of manifest variables or indicators, it has the advantage that the model can be estimated with the standard PLS algorithm (Ghozali, 2013).

### RESULTS AND DISCUSSION

### **Data Analysis**

### 1. Measurement Evaluation (Outer)

Model As for the measurement model for validity and reliability tests, the model determination coefficient and the path coefficient for the equation model, can be seen in the following Figure and Table:



**Figure 1.** Measurement Model Output Display Source: PLS Output v 4, 2014

Table 1. Outer Loadings

Table 1. Outer Loadings					
				MSME Development	
	Motivation (Z)	Training (x1)	Education (x2)	(Y)	
X1.1		0.663			
X1.2		0.726			
X1.3		0.600			
X1.4		0.620			

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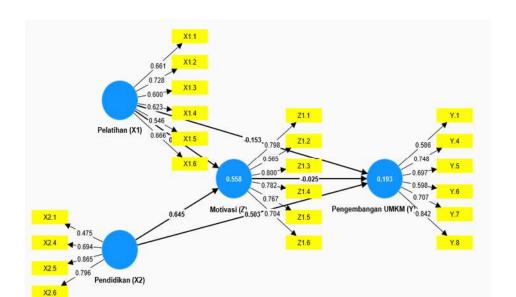
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	-			MSME Development
	Motivation (Z)	Training (x1)	Education (x2)	(Y)
X1.5		0.547		
X1.6		0.666		
X2.1			0.599	
X2.2			0.360	
X2.3			0.391	
X2.4			0.666	
X2.5			0.810	
X2.6			0.764	
Y.1				0.524
Y.2				-0.217
Y.3				-0.173
Y.4				0.682
Y.5				0.661
Y.6				0.545
Y.7				0.619
Y.8				0.865
Z1.1	0.801			
Z1.2	0.569			
Z1.3	0.800			
Z1.4	0.783			
Z1.5	0.768			
Z1.6	0.696			

Source: PLS Output v 4, 2014

Based on the data presentation in Table 1 above, it is known that each of the research variable indicators has an outer loading value of >0.7. However, it can be seen that there are still several indicators that have an outer loading value of <0.7. According to Chin, as quoted by, the outer loading value between 0.5-0.6 is considered sufficient to meet the convergent validity requirements.(Ghozali, 2016)

The data above shows that the education variable (X2) has 2 (two) indicators whose outer loading value is below 0.5, namely X2.2 and X2.3. The MSME development variable (Y) has 2 (two) indicators whose outer loading value is below 0.5, namely Y.2 and Y3. The indicator was declared unfeasible or invalid so it was eliminated. The results can be seen in the following Figure and Table:



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**Figure 2.**Stage 2 Measurement Model Output Display Source: PLS Output v 4, 2014

**Table 2.** Outer Loadings Stage 2

MSME Developmer					
	Motivation (Z)	Training (x1)	Education (x2)	(Y)	
X1.1		0.661			
X1.2		0.728			
X1.3		0.600			
X1.4		0.623			
X1.5		0.546			
X1.6		0.666			
X2.1			0.475		
X2.4			0.694		
X2.5			0.865		
X2.6			0.796		
Y.1				0.586	
Y.4				0.748	
Y.5				0.697	
Y.6				0.598	
Y.7				0.707	
Y.8				0.842	
Z1.1	0.798				
Z1.2	0.565				
Z1.3	0.800				
Z1.4	0.782				
Z1.5	0.767				
Z1.6	0.704				

Source: PLS Output v 4, 2014

The data above shows that there are no variable indicators whose outer loading value is below 0.5, so all indicators are declared feasible or valid for research use and can be used for further analysis.

### a. Discriminant Validity Testing

In this section, the results of the discriminant validity test will be described. The discriminant validity test uses a cross loading value. An indicator is declared to meet the discriminant validity

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if the cross loading value of the indicator on the variable is the largest compared to other variables. The following are the cross loading values of each indicator:

Table 3. Cross Loading

Motivation (Z) Training (x1) Education (x2) MSME Development (Y)						
X1.1		0.661	0.198	0.087		
	0.307					
X1.2	0.303	0.728	0.232	0.015		
X1.3	0.272	0.600	0.215	0.129		
X1.4	0.332	0.623	0.283	0.005		
X1.5	0.242	0.546	0.36	-0.033		
X1.6	0.353	0.666	0.442	0.030		
X2.1	0.325	0.496	0.475	0.066		
X2.4	0.353	0.149	0.694	0.306		
X2.5	0.651	0.415	0.865	0.382		
X2.6	0.662	0.317	0.796	0.353		
Y.1	0.143	0.053	0.304	0.586		
Y.4	0.195	0.088	0.213	0.748		
Y.5	0.138	0.044	0.243	0.697		
Y.6	-0.044	-0.143	0.153	0.598		
Y.7	0.197	0.132	0.222	0.707		
Y.8	0.362	0.074	0.452	0.842		
Z1.1	0.798	0.329	0.671	0.247		
Z1.2	0.565	0.267	0.346	0.082		
Z1.3	0.800	0.222	0.558	0.297		
Z1.4	0.782	0.428	0.537	0.145		
Z1.5	0.767	0.379	0.519	0.141		
Z1.6	0.704	0.483	0.541	0.233		

Source: PLS Output v 4, 2014

Based on the data presentation in table 3 above, it can be seen that each indicator in the research variable has the largest cross loading value in the variable it forms compared to the cross loading value in other variables. Based on the results obtained, it can be stated that the indicators used in this study have good discriminant validity in compiling their respective variables.

### b. Composite Reliability Testing

Composite Reliability is the part used to test the reliability value of indicators on a variable. A variable can be declared to meet composite reliability if it has a composite reliability value of >0.6.4 The following are the composite reliability values of each variable used in this study:

**Table 6.** Composite Reliability

	1
	Composite reliability (rho_c)
Motivation (Z)	0.878
Training (x1)	0.805
Education (x2)	0.807
MSME Development (Y)	0.851

Source: PLS Output v 4, 2014

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Based on the data presentation in Table 6 above, it can be seen that the composite reliability value of all research variables is >0.6. These results show that each variable has met the composite reality so that it can be concluded that the entire variable has a high level of realism.

### c. Cronbach Alpha Testing

The feasibility test with the above composite reability can be strengthened by using the Cronbach alpha value. A variable can be declared reliable or meets the cronbach alpha if it has a cronbach alpha value > 0.7.5. The following are the cronbach alpha values of each variable:

Table 7. Cronbach's Alpha

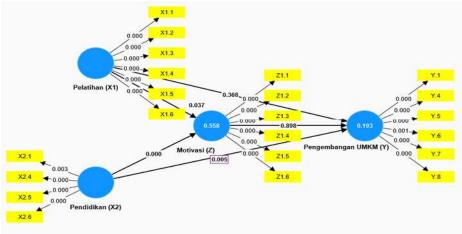
Cro	onbach's alpha
Motivation (Z)	0.833
Training (x1)	0.709
Education (x2)	0.689
MSME Development (Y)	0.798
G DI G O : 4 2014	

Source: PLS Output v 4, 2014

Based on the above data presentation in Table 7, it can be seen that the cronbach alpha value of each of the research variables is >0.7. Thus, these results can show that each of the research variables has met the requirements of the Cronbach alpha value, so it can be concluded that the entire variable has a high level of reliability.

### 2. Inner Model Evaluation Testing

The structural model in PLS is evaluated using R2 for variables. Exogenous and path coefficient values for endogenous variables which are then assessed for significance based on the t-statistical value of each path. The structural model of this research can be seen in the following figure:



**Figure 2.** PLS Bootstrepping Results Display Source: PLS Output v 4, 2014

In this study, the results of the path coefficient test, goodness of fit test and hypothesis test will be explained.

#### a. Path Coefficient Test

Path coefficient evaluation is used to show how strong the effect or influence of independent variables is on dependent variables. Meanwhile, coefficient determination (R-Square) is used to measure how much endogenous variables are affected by other variables. MSME Development stated that the R2 result of 0.193 endogenous latent variables in the structural model indicates that the influence of the Training and Education variable (which affects) on the MSME Development variable (which is affected) is included in the good category. Meanwhile, if the result is 0.33 - 0.67, it is included in the medium category, and

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if the result is 0.19-0.33, it is included in the weak category. Based on the inner model scheme that has been explained, the largest path coefficient value is shown by the influence of Motivation on MSME Development of 0.558. Based on the description of the results, it shows that all variables in this model have a path coefficient with positive numbers. This shows that the greater the value of the path coefficient in one independent variable to the dependent variable, the stronger the influence between the independent variables on the dependent variable.

### b. Model Goodness Test (Goodness of Fit)

Based on the data processing that has been carried out using the PLS 4.0 smart program, the following R-Square values are obtained:

Table 8. R-Squared

R-squa	are			
Motivation (Z)	0.558			
MSME Development (Y)	0.193			

Source: PLS Output v 4, 2014

Based on the data presentation in the table above, it can be seen that the R-Square value for the MSME Development variable is 0.193. The acquisition of this score explains that the percentage of MSME Development can be explained by Training and Education at 19.3%. Then for the R-Square value obtained the Motivation variable of 0.558. This score explains that Motivation can be explained by Training and Education by 55.8%.

### c. Hypothesis Test

Based on the data processing that has been carried out, the results can be used to answer the hypothesis in this study. The hypothesis test in this study was carried out by looking at T-Statistics values and P-Values values. The research hypothesis can be declared accepted if the P-Values value <0.05. The following are the results of the hypothesis test obtained in this study through the inner model.

Table 9. Direct Effect

TWOIC / C BITCO					
	Original sample	T statistics			
	(O)	( O/STDEV )	P values		
Motivation (Z) -> MSME Development (Y)	-0.025	0.128	0.898		
Training (X1) -> Motivation (Z)	0.185	2.081	0.037		
Training (X1) -> MSME Development (Y)	-0.157	0.921	0.357		
Education (X2) -> Motivation (Z)	0.645	9.006	0.000		
Education (X2) -> MSME Development (Y)	0.487	3.97	0.000		

Source: PLS Output v 4, 2014

Based on the data presented in Table 9 above, it can be seen that the hypothesis proposed in this study, the Motivation variable is shown to have P-Values of 0.898 > 0.05. So it can be stated that Motivation does not have a significant positive influence on the development of MSMEs in the Kwala Serapuh Langkat Village Community through .

It is known that the hypothesis proposed in this study, the Training variable is shown to have P-Values of 0.037 < 0.05. So it can be stated that the training has a significant positive influence on the motivation of the community of Kwala Serapuh Langkat Village.

It is known that the hypothesis proposed in this study, the Training variable is shown to have P-Values of 0.357 >0.05. So it can be stated that the training does not have a significant positive influence on the development of MSMEs in the community of Kwala Serapuh Langkat.

It is known that the hypothesis proposed in this study, the Education variable is shown to have P-Values of 0.000 < 0.05. So that it can be stated that Education has a significant positive influence on the motivation of the people of Kwala Serapuh Langkat Village.

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It is known that the hypothesis proposed in this study, the Education variable is shown to have P-Values of 0.000 < 0.05. So that it can be stated that Education has a significant positive influence on the development of MSMEs in the Kwala Serapuh Langkat Village Community.

Table 10. Indirect Effect

	Original sample (O)	T statistics ( O/STDEV )	P values
Training (X1) -> Motivation (Z) -> MSME			
Development (Y)	-0.005	0.106	0.915
Education (X2) -> Motivation (Z) -> MSME			
Development (Y)	-0.016	0.127	0.899

Source: PLS Output v 4, 2014

Based on the data presentation in Table 10 above, it can be seen that the hypothesis proposed in this study, the Training variable is shown to have P-Values of 0.915 >0.05. So it can be stated that the training does not have a significant positive influence on the development of MSMEs in the community of Kwala Serapuh Langkat Village which is Moderated by Motivation Variables.

It is known that the hypothesis proposed in this study, the Education variable is shown to have P-Values of 0.915 >0.05. So it can be stated that Education does not have a significant positive influence on the Development of MSMEs in the Community of Kwala Serapuh Langkat Village Moderated by Motivation Variables.

### DISCUSSION

Motivation does not have a significant positive influence on MSME Development. This shows that the level of community motivation does not directly increase the development of MSMEs in the village. Other factors may be more dominant in influencing the development of MSMEs, such as training, education, capital, market access, and government support.

Training has a significant positive influence on MSME Development. This shows that the training has a positive impact on the growth and progress of MSMEs in Kwala Village, Serapuh Langkat. Training can help improve people's skills, knowledge, and capacity in managing their businesses.

Training did not have a significant positive influence on the Development of MSMEs Moderated by Motivational Variables. This shows that the influence of training on the development of MSMEs depends on the level of community motivation. If motivation is low, training may not have a significant impact. On the other hand, if the motivation is high, training can maximize the development potential of MSMEs.

Education has a significant positive influence on Community Motivation. This shows that the level of education increases people's motivation to develop MSMEs. Education can open up insights, increase knowledge, and foster an entrepreneurial spirit.

Education has a significant positive influence on MSME Development. Just like training, education has a positive impact on the growth and progress of MSMEs in Kwala Village, Serapuh Langkat. Education can help improve people's skills, knowledge, and capacity in managing their businesses.

Training does not have a significant positive influence on the development of MSMEs in Kwala Serapuh Village, Langkat if mediated by motivational variables. This means that the level of community motivation does not strengthen the effect of training on the growth and progress of community MSMEs. Although the training has proven to be beneficial for the development of MSMEs in general, its effects in Kwala Serapuh Langkat Village can vary depending on the level of community motivation. Increasing motivation and providing the right training can maximize the potential for MSME development in the village.

Education does not have a significant positive influence on the Development of MSMEs Moderated by Motivation Variables. This shows that the influence of education on the development of MSMEs depends on the level of community motivation. If motivation is low, education may not have

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a significant impact. On the other hand, if the motivation is high, education can maximize the development potential of MSMEs.

### **CONCLUSION**

- 1. Increasing public motivation through education about entrepreneurship, awarding outstanding MSMEs, and building the MSME community.
- 2. Improve the quality of training with a comprehensive curriculum, qualified instructors, and the use of technology.
- 3. Improving access to formal and non-formal education with a focus on developing entrepreneurial skills.
- 4. Fourth, strengthen government support through easy business licensing, smooth access to capital, infrastructure development, and promotion of MSME products.

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