The effect of Foodizz class training on improving MSME performance

Mesya Salsabilla[1], **Ghia Ghaida Kanita**[2], **Mira Nurfitriya**[3]
[123]Entrepreneurship Study Program, Universitas Pendidikan Indonesia, Indonesia

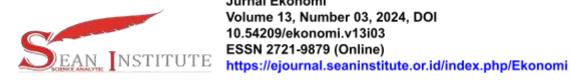| Article Info	ABSTRACT
Keywords: Training, MSME Performance, Foodizz	Micro, Small, and Medium Enterprises (UMKM) play a strategic role in Indonesia's economic development. However, several challenges hinder their business growth, including business performance among UMKM actors. This study aims to provide a general overview of the training at Foodizz and to assess its impact on the performance of UMKM actors. The research employs a quantitative method with a descriptive and verificative approach, allowing the verification of whether the proposed hypothesis is accepted or not. This study involves 32 participants who attended the "Building a Culinary Business from Scratch" training program organized by Foodizz. Data collection was carried out by distributing questionnaires to the respondents. This research's sources and types of data involve primary data obtained through questionnaires distributed to all participants. The data analysis was conducted using various statistical techniques, including validity tests, reliability tests, classical assumption tests, simple linear regression analysis, t-tests, and the coefficient of determination, utilizing SPSS version 26. The study results show that the training program has successfully achieved its objectives. Participants demonstrated readiness to develop new ideas and a high motivation to grow their businesses. The analysis revealed that 59.2% of the variation in business performance is influenced by the training provided. At the same time, other factors, such as technology and social elements outside the scope of this study, account for 41.8%. This underscores the need for more focused and tailored training programs to meet the specific needs of UMKM and the importance of updating training programs in line with industry developments and challenges.
	Corresponding Author: Mesya Salsabilla, Ghia Ghaida Kanita, Mira Nurfitriya Universitas Pendidikan Indonesia, Indonesia msysal16@upi.edu

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in Indonesia's economic development, which is recognized as the central pillar of the financial structure by the Coordinating Ministry for Economic Affairs in 2021. The National Medium-Term Development Plan (RPJMN) sets the national entrepreneurship ratio at 3.9%, with the expectation that the growth of new entrepreneurs will reach the target of 4% by 2024 Currently, there are 64.2 million MSMEs that contribute 61.07% to the GDP, equivalent to approximately 8,573.89 trillion rupiahs, and absorb 97% of the workforce while

The Effect of Foodizz Class Training on Improving MSME Performance– Mesya Salsabilla et al.
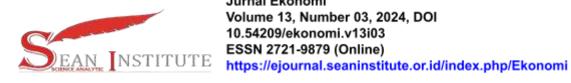
1176 | Page

contributing 60.4% of total investment. Despite their significant contribution, MSMEs often need help with major challenges such as a lack of knowledge and skills in human resources, capital constraints, limited facilities and infrastructure, and restricted market access. Therefore, enhancing management knowledge and skills is crucial to improving business performance and positively contributing to economic growth (Anggraeni, 2013; Diana et al., 2023). Entrepreneurial knowledge and skills are essential in enhancing business performance and driving economic growth.

In the research conducted from September 2023 to June 2024 at Foodizz, the researchers frequently observed various challenges faced by training participants, particularly regarding human resource management and business innovation. Many entrepreneurs, especially in the SME sector, still encounter difficulties in managing human resources effectively and driving innovation in their businesses, despite having clear visions, missions, and goals for each company. Based on interviews with training participants, it was found that in practice, employee performance in the F&B industry often requires time to adjust to the established work culture in accordance with the framework set by the company to operate the business efficiently.

Therefore, the role of human resources in a business cannot operate independently but must align with the company's strategic plans. Human resource development also depends on the chosen business strategy, which may be influenced by factors such as time duration or available capital. Employee performance then evolves in accordance with the projected business growth, particularly in the F&B sector. As businesses strive for greater growth, challenges in human resource management become more pronounced, especially as more employees require guidance to align their mindset with company standards. This aligns with the view of Muharram et al. (2021), who emphasize that low human resource skills hinder the achievement of the company's vision and mission, and demand greater efforts to align employee goals with the overall goals of the company.

According to Mukoffi & As'adi (2021) and Nasser & Ramdan (2009), business performance is the result or evaluation of the work achieved by individuals or groups through the division of tasks and roles within a specific period, in accordance with the standards set by the company. Business performance has indicators to assess performance improvements through the Balanced Scorecard (BSC) method, which is a strategic framework that organizations can use to evaluate and control performance from various but balanced perspectives. Indicators, according to Kaplan & Norton (2001) and Munizu (2010), include the financial perspective, customer perspective, internal perspective, and learning and growth perspective. There are three factors that can influence business performance: training and development, technology, and team.

To enhance the performance of SMEs in facing competition, one of the strategies employed is participating in job training designed according to market and business needs, both within and outside the organization. With the training programs organized by Foodizz Academy, SME practitioners can improve their understanding of relevant knowledge and be equipped to navigate various stages of business, including enhancing skills in building innovation. This training program is not merely an educational initiative but represents a

The Effect of Foodizz Class Training on Improving MSME Performance– Mesya Salsabilla et al.

1177 | Page

form of knowledge that can be considered a long-term investment in developing high-quality human resources, ready to face the challenges of globalization. According to Article 9, Paragraph of Law No. 13 of 2003 on Job Training, job training is organized and directed to equip, enhance, and develop work competencies to improve ability, productivity, and welfare. This highlights the crucial role of job training in preparing a competent workforce ready to compete in the global market.

This study is closely related to previous research, such as that conducted by Sukarini (2017) which demonstrated that training positively impacts SMEs' performance. Although the study emphasized the importance of training for improving SME performance, it did not address the effects of training in the context of a specific platform like Foodizz or the particular factors affecting SME performance within it. In contrast to prior research, this study explores the impact of training on Foodizz as a concrete case study, offering new insights into how training on this platform affects SME performance. Using the Balanced Scorecard theory, this research provides an in-depth analysis of various aspects of business performance, including internal processes, learning, and growth, which may have yet to be thoroughly discussed. Therefore, this study aims to provide an overview of training on Foodizz and determine the extent to which training affects the performance of SMEs on Foodizz.
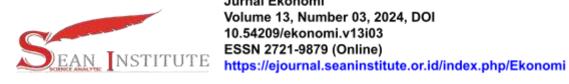
METHODS

This research employs a quantitative method with a descriptive and verificative approach. According to Sugiyono (2019) the quantitative method is used to analyze data by describing and illustrating the data that has been collected. Meanwhile, the verificative approach is utilized to test hypotheses developed from descriptive analysis, allowing for the determination of whether the hypotheses are accepted or not.

The object of this research is the Foodizz training program, located in Bandung, which specializes in F&B business training. This study focuses on participants of the "Building a Culinary Business from Scratch" program organized by Foodizz to assess the impact of the training on the performance of MSME actors. The selection of this object is influenced by the numerous training programs conducted by Foodizz and the fact that it serves as the researcher's internship site.

The population in this study consists of 32 participants who attended the "Building a Culinary Business from Scratch" training. According to Arikunto (2017) if the population is less than 100, it is recommended to take the entire population as the sample to ensure comprehensive coverage. Therefore, in this study, the entire population was taken as the sample, considering the number of participants is less than 100. This research utilizes primary data collected through the distribution of questionnaires to respondents, with responses provided using a Likert scale based on the indicators of each variable.

Tabel 2. Operational Variabel

Indicator	Mean Indicator	Category
Training (X)	a. Training Material/Content b. Training Method	Ordinal

The Effect of Foodizz Class Training on Improving MSME Performance– Mesya Salsabilla et al.

1178 | Page

	c. Training Participants	
	d. Instructor	
	e. Training Objectives	
Balance Scorecard (Y)	a. Finance Perspective	Ordinal
	a. Customer Perspective	
	b. Internal Perspective	
	c. Learning and Growth Perspective	

Data were analyzed to examine the relationship between the training variable (X) and the business performance variable (Y) using simple linear regression in SPSS statistical software. Three main classical assumption tests were conducted: normality, multicollinearity, and heteroscedasticity. Normality was assessed to determine whether the residuals were normally distributed, often using the Kolmogorov-Smirnov test. Multicollinearity was evaluated through the Variance Inflation Factor (VIF) and Tolerance values, with a VIF above 10 or a Tolerance below 0.1 indicating potential issues. Heteroscedasticity was tested by plotting standardized residuals against predicted values; a random pattern indicates consistent variance, while a funnel shape suggests potential inefficiency in the regression model.The following is the formula for simple linear regression:

$$y = a + bx + e$$

Information:
y = Business Performance Variable
X = Training Variable
a = Constant Variable
b = Linear Regression Direction Coefficient
e = Error or Error Rate

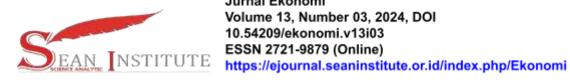In this study, the following hypotheses can be proposed:

H_0: The training variable (X) does not positively affect the performance variable of MSMEs (Y).

H_a: The training variable (X) positively affects the performance variable of MSMEs (Y).

RESULTS AND DISCUSSION

Research Instrument Testing

This study conducted validity and reliability tests to ensure the questionnaire was valid and reliable. This testing involved all research variables X and Y, with 45 questionnaire statements to be answered by respondents. The goal is to ensure the consistency and stability of the results obtained from the questionnaire. The validity test results indicated that 34 statements from the variables used were deemed valid. However, 14 statements related to the MSME performance variable were found to be invalid because their calculated r-values were below the table value of 0.349. Meanwhile, the reliability test results showed that each variable had a Cronbach's alpha value greater than 0.6, indicating that all items were reliable.

The Effect of Foodizz Class Training on Improving MSME Performance– Mesya Salsabilla et al.

1179 | Page

Descriptive Statistical Analysis

Descriptive statistical analysis is a statistical method used to describe, summarize, and present data in an easily understandable form. The following is the descriptive statistical analysis of the research variables used.

Tabel 3. Descriptive Statistical Analysis Results

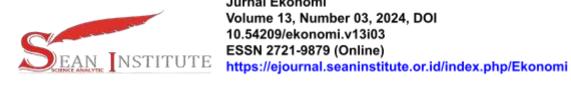| Variable	Indicator	Mean	Median	Category
Training (X)	Training Material/Content	3,89		Good
	Training Method	3,23		Not Good
	Training Participants	3,49	3,89	Not Good
	Instructor	4,07		Good
	Training Objectives	4,49		Good
Business performance (Y)	Finance Perspective	3,40		Good
	Customer Perspective	3,68	3,37	Good
	Internal Perspective	3,34		Not Good
	Learning and Growth Perspective	3,25		Not Good

Source: SPSS data, processed in 2024.

The results of the descriptive statistical analysis for the training variable measurements showed that some indicators had an average score of 3.89. Among these indicators, the training method and the trainees received the lowest scores, with 3.23 and 3.49, respectively. The low score for the training method was due to the large number of participants, which made the classroom environment less conducive because of space limitations. Additionally, the low score on the trainees' indicator indicates that the participants were less satisfied with the knowledge gained about business sustainability. This dissatisfaction was attributed to the broad scope of knowledge required to achieve business sustainability, making the participants feel that the training provided did not cover all the necessary aspects in a single training session.

In the business performance variable, there are two indicators that show several indicators with a median score of 3.37. The indicators that fall below the median are the internal perspective, with a score of 3.34, and the learning and growth perspective, with a score of 3.25. The low score on the internal perspective indicator is due to a lack of efficiency and effectiveness in internal processes, which may be related to management issues, resource limitations, or suboptimal procedures. Meanwhile, the low score on the learning and growth perspective may be caused by insufficient investment in employee development, minimal training and education, and limitations in innovation and organizational capability enhancement. This indicates that SMEs need to focus more on improving internal processes and developing human resource capacity to achieve better performance.

Classical Assumption Testing

The normality test results using the non-parametric Kolmogorov-Smirnov (K-S) technique show a significance value of 0.200, which is greater than 0.05. This indicates that the residuals are normally distributed. In the multicollinearity test, the Variance Inflation

The Effect of Foodizz Class Training on Improving MSME Performance– Mesya Salsabilla et al.

1180 | Page

Factor (VIF) was 1.00, more significant than 0.10. Based on these results, no multicollinearity among the variables was detected. Additionally, the heteroscedasticity test indicated that the training and business performance variables had a significance value of 0.70, more significant than 0.05. This suggests the absence of heteroscedasticity in this study. Therefore, the results of the classical assumption tests indicate that the data meet the requirements for a valid and reliable regression analysis.

Hypothesis Testing

Simple Linear Regression

The following is the simple linear regression analysis for this study, which allows the formulation of the equation as follows:

$$y = 9{,}431 + 0{,}764x + e$$

The regression results show a constant value of 9.431 and a regression coefficient of 0.764. Therefore, the relationship between variables X and Y can be described as follows:

a) The constant value is 9.431, which indicates that if there is no change in the independent variable (X), the dependent variable (Y) will have a value of 9.431.

b) The regression coefficient for the training variable (X) is 0.764, which is positive. This means that for every 1-unit increase in the training variable, the business performance is expected to increase by 0.764 units.

Partial Test (T-Test)

A partial test or t-test is used to assess the effect of each training variable on business performance individually. The significance of the effect is determined by comparing the calculated t-value for each variable with the critical t-value at a 95% confidence level, or α of 0.05. By comparing these two values, we can determine whether the training variable significantly impacts business performance. Below are the results of the partial test (t-test) obtained in this study:
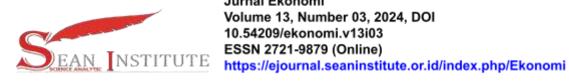
Tabel 4. Partial Test Results (T-test)

Model	T	Sig.
Training	1,445	0,159
Business Performance	6,597	0,001

Source: SPSS data, processed

According to the table above, the results of the partial test (t-test) show that the significance value for the effect of training (X) on performance (Y) is 0.001, which is less than 0.05. Additionally, the t-calculated value of 6.597 exceeds the t-table value of 2.042. Thus, the hypothesis stating that training has a significant effect on performance is accepted. This means training significantly impacts performance, as evidenced by the meager significance value of the t-calculated, which is much higher than the t-table value.

Coefficient of Determination

The Effect of Foodizz Class Training on Improving MSME Performance– Mesya Salsabilla et al.

1181 | Page

According to Hair et al. (2017) the coefficient of determination (R^2) measures how much variation in the dependent variable can be explained by the independent variable or predictor. This coefficient value ranges from 0 to 1. A higher value indicates that the regression model has greater explanatory power and that predictions regarding the dependent variable are more accurate. The following are the results of the coefficient of determination test.

Tabel 5. Results of the Determination Coefficient Test

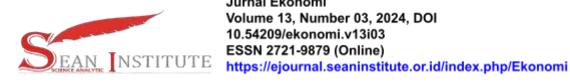| Model	R	R Square	Adjusted R Square
1	0,769	0,592	0,579

Source: SPSS data, processed

Based on the table above, this study's coefficient of determination R square (R^2) is 0.592, or 59.2%. This indicates that the business performance variable (Y) can be explained by the training variable (X) to the extent of 59.2%. In other words, 59.2% of the variation in business performance can be influenced by the training provided. The coefficient value in this study falls into the category of 0.50-0.69, which means the relationship between these variables is strong. Additionally, 41.8% of the remaining R square value is influenced by other factors. This value indicates the extent to which training contributes to business performance and shows the presence of validity influenced by elements beyond the scope of the study.

Discussion

Based on the analysis of the collected data, the tested hypothesis indicates that the training variable from Foodizz classes has a positive and significant impact on business performance variables. Based on the highest scores obtained from training objectives indicators, this analysis shows that the training program has successfully achieved its goals. The analysis reveals that participants are open to developing new ideas and demonstrate high motivation to grow their businesses. This suggests that the Foodizz training program is quite effective in enhancing participants' skills and entrepreneurial spirit, which ultimately contributes to improving their business performance.

These findings are consistent with Sukarini (2017) research, which indicates that training contributes to business performance among MSME actors supported by Lazismu Pekanbaru. However, the training provided was not entirely effective in improving overall performance. The study revealed that the training implemented had yet to enhance performance effectively. Therefore, improvements are needed in the training process, both in terms of content and the methods used, to optimize and support business development and performance.

The descriptive analysis of the training variable revealed that the highest score was found in the objective indicator, indicating that the training conducted had successfully achieved its intended goals. This is evidenced by the participants' openness to new ideas gained during the training and increased motivation to develop their businesses. This finding is consistent with Kambey & Suharnomo (2013) assertion that the readiness and

The Effect of Foodizz Class Training on Improving MSME Performance– Mesya Salsabilla et al.
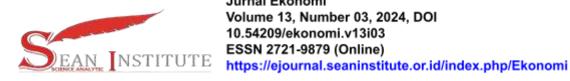
1182 | Page

ability of business actors to receive training are crucial for the training to impact performance positively. Without mental readiness and openness to the learning process, the training provided will not be practical and may even lead to a decline in performance.

Additionally, the low indicator for the training method was caused by the excessive number of participants, which made the classroom environment less conducive. This limitation is primarily due to inadequate classroom facilities, leading to a need for more harmony between the training activities conducted in the classroom and the continuity of field activities, as noted by (Andriani et al. 2018). Therefore, greater attention should be given to the availability and quality of training facilities to support the effectiveness of the learning process, ensuring that the training objectives can be optimally achieved.

Analysis of the business performance variable results indicates that the customer perspective received the highest score. This suggests that each of the companies studied can handle customers well and maintain the quality of their products. The customer perspective reflects high customer satisfaction and efficiency in service, demonstrating a strong ability to maintain positive relationships with customers by ensuring that the products offered remain of high quality. This finding is consistent with Octaviana et al. (2023) research, which shows that the more excellent the emphasis on the customer perspective, the higher the business performance. In other words, greater attention to customer satisfaction and product quality will directly impact improving business performance.

The low score on the learning and growth aspect is due to insufficient investment in employee development, limited training and educational programs, and a lack of encouragement for innovation and organizational capability enhancement. These factors hinder the organization's growth and adaptation to necessary changes. Research conducted by Hamzali & Arwin (2022) shows that innovative organizations actively promote training and development for their members to advance their knowledge continuously. These organizations also strive to reduce excessive time pressure in creative activities, allowing members to generate new ideas and contribute effectively to the organization's progress. Without investment and attention to this aspect, organizations risk falling behind in competition and experiencing stagnation in their internal capability development.

This study reveals a significant result from the coefficient of determination, showing that the training provided by Foodizz contributes 59.2% to the performance of MSME actors. This figure indicates that the training conducted by Foodizz substantially impacts improving MSME performance. This finding is supported by Juliadi et al. (2023) who state that practical training can significantly enhance employee performance and company productivity. Additionally, Komalasari et al. (2021) suggest that training and mentoring for MSMEs are effective solutions for improving and developing MSMEs and enhancing human resource quality. Therefore, the results of this study reinforce the importance of training in improving MSME performance, demonstrating that investments in training programs, such as those offered by Foodizz, can substantially increase productivity and efficiency among MSME actors.

The Effect of Foodizz Class Training on Improving MSME Performance– Mesya Salsabilla et al.
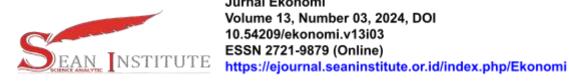
1183 | Page

In this study, there are additional factors that can influence business performance. According to Hanaysha (2016) teamwork significantly impacts organizational commitment. The study explains that teamwork can create a positive work environment, enhancing employee job satisfaction. This satisfaction then contributes to improved performance. Fatimah & Azlina (2021) also shows that information technology is another factor worth investigating as it can affect business performance. Information technology facilitates internal processes through programs or systems that make work more effective and efficient. The use of technology can positively impact business performance. Thus, the study identifies that other factors, such as teamwork and information technology, influence business performance besides the primary factors discussed.

CONCLUSION

The research results indicate that the training program variable has been effective in achieving its objectives, with participants demonstrating readiness to develop new ideas and enhance their efforts. However, there are deficiencies in the training facilities that need to be improved to better support the learning environment. Regarding the business performance variable, each company has successfully managed customers and maintained product quality, but there is still a need to encourage innovation through continuous employee training and development, given the low investment in employee knowledge and skills. The analysis shows that 59.2% of the variation in business performance is influenced by training, while other factors such as technology and social elements account for 41.8%. Therefore, it is recommended that future research explore the role of technology and social aspects to gain a more comprehensive understanding and develop training programs that are better aligned with the specific needs of SMEs and industry developments..

REFERENCE

Andriani, L., Paselle, E., & Zulfiani, D. (2018). Efektivitas penyelenggaraan pelatihan revolusi mental untuk pelayanan publik oleh pusat kajian pendidikan dan pelatihan aparatur (PKP2A) III LAN Samarinda. *EJurnal Administrasi Negara* , 6(4), 8199–8213.

Anggraeni, F. (2013). Pengembangan usaha mikro, kecil dan menengah (UMKM) melalui fasilitasi pihak eksternal dan potensi internal (studi kasus pada kelompok usaha "emping jagung" di kelurahan Pandanwangi kecamatan Blimbing kota Malang). *Jurnal Administrasi Publik Mahasiswa Universitas Brawijaya*, 1(6), 1286–1295.

Arikunto, S. (2017). *Pengembangan Instrumen Penelitian dan Penilaian Program*. Pustaka Pelajar.

Diana Y, Rahayu S, & Zannah A. (2023). Pengaruh pelatihan kewirausahaan dan pemasaran digital terhadap peningkatkan ekonomi masyarakat di desa Kelambir Lima. *Maneggio: Jurnal Ilmiah Magister Manajemen*, 6(1), 1–14.

Fadhli, & Khusnia. (2021). *Manajemen sumber daya manusia (produktivitas kerja)*. Guepedia.

The Effect of Foodizz Class Training on Improving MSME Performance– Mesya Salsabilla et al.

1184 | Page

Fatimah, S., & Azlina, N. (2021). Pengaruh teknologi informasi dan inovasi terhadap kinerja usaha kecil dan menengah (UKM) (studi pada UKM berbasis online di kota Dumai). *Jurnal Riset Akuntansi Dan Perbankan*, *15*(1), 444–459.

Hair, J., Hollingsworth, C. L., Randolph, A. B., & Chong, A. Y. L. (2017). An updated and expanded assessment of PLS-SEM in information systems research. *Industrial Management and Data Systems*, *117*(3), 442–458.

Hamzali, S., & Arwin. (2022). Pengaruh pembelajaran organisasi dan inovasi organisasi terhadap kinerja organisasi. *Jurnal Ekonomi Dan Bisnis*, *9*(1), 241–249.

Hanaysha, J. (2016). Examining the effects of employee empowerment, teamwork, and employee training on organizational commitment. *Procedia - Social and Behavioral Sciences*, *229*(1), 298–306.

Juliadi, E., Syafri, M., Hidayati, N., & Laut, A. A. (2023). The effect of training and development on employee productivity in the digital age. *West Science Journal Economic and Entrepreneurship*, *1*(10), 493–499.

Kambey, F. L., & Suharnomo. (2013). Pengaruh pembinaan, pelatihan dan pengembangan, pemberdayaan dan partisipasi terhadap kinerja karyawan (studi pada PT. njonja meneer semarang). *Jurnal Studi Manajemen & Organisasi* , *10*(2), 142–151.

Kaplan R, & Norton P. (2001). *The strategy-focused organization: how balanced scorecard companies thrive in the business environment*. Harvard Business School Press.

Komalasari, E., Widiawati, D., & Puteri, N. E. (2021). Pendampingan pengurusan P-IRT UMKM pangan di desa Cikidang, Sukabumi. *Jurnal Pemberdayaan Masyarakat Universitas Al Azhar Indonesia*, *3*(1), 9–15.

Muharram, M. N., Mintawati, H., & Marina. (2021). Pelatihan dan pengelolaan sumber daya manusia dalam meningkatkan UMKM di Jampang Surade Sukabumi. *Seniman Transactions on Management and Business*, *3*(1), 1–8.

Mukoffi, A., & As'adi. (2021). Karakteristik wirausaha, modal usaha dan kecanggihan teknologi terhadap kinerja UMKM di masa pandemi Covid-19. *Jurnal Paradigma Ekonomika*, *16*(2), 2684–7868.

Munizu, M. (2010). Pengaruh faktor-faktor eksternal dan internal terhadap kinerja usaha mikro dan kecil (UMK) di Sulawesi Selatan. *Jurnal Manajemen Dan Kewirausahaan*, *12*(1), 33–41.

Nasser M, & Ramdan Z. (2009). Hubungan balance scorecard dengan kinerja perusahaan beserta beberapa faktor yang mempengaruhi. *Jurnal Informasi, Perpajakan, Akuntansi Dan Keuangan Publik*, *4*(1), 37–56.

Octaviana, Marsiwi, & Ardiana. (2023). The influence of applying a balanced scorecard to improve MSMEs performance in Trenggalek regency. *Monex-Journal of Accounting Research*, *12*(2), 282–296.

Sugiyono. (2019). *Metode kuantitatif, kualitatif, dan R&D*. Alphabet.

Sukarini S. (2017). Pengaruh pelatihan terhadap kinerja pelaku UMKM Binaan Lazismu Pekanbaru. *Jurnal Manajemen Pendidikan Dan Pelatihan* , *1*(3), 2580–4111.

The Effect of Foodizz Class Training on Improving MSME Performance– Mesya Salsabilla et al.

1185 | Page