

Income Improvement Model through Training and Capital in Karasa Industrial Center Pinrang

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Abstract

This study aims to examine the direct effect of training effectiveness on business capital and training effectiveness on income, as well as the indirect effect of training effectiveness on income through the business capital of the Karasa traditional cake culinary industry. This research was designed using a quantitative exploratory approach. Data were collected through observation, interviews, and questionnaires. The population consists of culinary business actors in Pinrang Regency, with a non-probability sampling method and purposive sampling technique with a determined sample size of 55 respondents. Data analysis was carried out using SmartPLS. Research Findings: Training is effective in increasing business capital and providing literacy to business actors to overcome capital limitations in business development. Training, however, cannot directly increase the income of business actors, so the type of training needs to be assessed for suitability to the needs so that training can effectively increase business income. Training indirectly increases income by paying attention to the accuracy of entrepreneurship training materials that produce outputs of increased knowledge and skills in overcoming obstacles in accessing capital.

Keywords: Training effectiveness, business capital, income, MSMEs

Abstrak

Penelitian ini bertujuan untuk menguji pengaruh langsung efektivitas pelatihan terhadap modal usaha dan efektivitas pelatihan terhadap pendapatan, serta pengaruh tidak langsung efektivitas pelatihan terhadap pendapatan melalui modal usaha industri kuliner kue tradisional Karasa. Penelitian ini dirancang dengan menggunakan pendekatan eksplanatori kuantitatif. Data dikumpulkan melalui observasi, wawancara, dan kuesioner. Populasi terdiri dari pelaku usaha kuliner di Kabupaten Pinrang, dengan metode pengambilan sampel non-probability sampling dan teknik purposive sampling dengan jumlah sampel yang ditentukan sebanyak 55 responden. Analisis data dilakukan dengan menggunakan SmartPLS. Temuan Penelitian: Pelatihan efektif dalam meningkatkan modal usaha dan memberikan literasi kepada pelaku usaha untuk mengatasi keterbatasan modal dalam pengembangan usaha. Namun, pelatihan tidak dapat secara langsung meningkatkan pendapatan pelaku usaha, sehingga jenis pelatihan perlu dikaji kesesuaiannya dengan kebutuhan agar pelatihan dapat secara efektif meningkatkan pendapatan usaha. Pelatihan secara tidak langsung meningkatkan pendapatan dengan memperhatikan ketepatan materi pelatihan kewirausahaan yang menghasilkan luaran berupa peningkatan pengetahuan dan keterampilan dalam mengatasi hambatan dalam mengakses permodalan.

Kata Kunci: Efektivitas pelatihan, modal usaha, pendapatan, UMKM

Introduction

The business world dominated by MSMEs faces the challenge of increasing income per business unit by upgrading and growing to become larger. Bank Indonesia states that the problems of MSMEs that need to be addressed are from the internal side which includes; aspects of Human Resources (HR), capital, legality aspects, and accountability, then from the external

side including; business climate, infrastructure, and accessibility of the MSME sector (Andri Rahmawan, 2022).

Training and mentoring are activities carried out with the aim of improving and enhancing the quality of business actors, which is carried out through improving aspects of knowledge and operational skills in carrying out a job (Soeprihanto, 2001). The quality of MSME actors will determine how productive the results of their business are determined by how skilled the workforce optimizes their productivity. Therefore, seeking appropriate education and training by considering the needs of the community can improve the quality of human resources (Korompis, 2005).

For MSMEs, in addition to training, business capital has a role in increasing revenue (profit). Lack of capital is a major obstacle to the growth and development of MSMEs (Putri et al., 2023). Business capital can be obtained from own capital, loan capital or from joint venture capital according to the ability of the perpetrators (Muttaqin & Aziz, 2020). Loan capital is needed by business actors to increase their productivity but is often constrained by a lack of understanding of the existence of financial institutions, especially banking institutions that provide access to credit or capital as business capital assistance. In addition, banks prefer to provide loans to larger customers for various reasons, including transaction cost and risk considerations (Dinutistomo & Lubis, 2021). Research conducted shows that the impact of entrepreneurship training and mentoring on business capital assistance from microfinance institutions has increased which has an impact on business stability (Itsnaini & Ritonga, 2017).

A portrait of MSMEs in Indonesia based on the number of units and the percentage contribution in GDP including the contribution of large businesses, can then estimate the average level of sales or income of micro, small and medium enterprises. Data from the Ministry of Cooperatives and SMEs shows that the average revenue per unit of micro businesses is Rp 91.534.400, small businesses Rp 1.889.332.260, medium businesses Rp 32.972.504.392, and large businesses Rp 1.109.237.537.697 (Sukarno, 2023). The data shows that income per business unit has increased along with the business size category, but when compared, the average income of large businesses is 12,118 times higher than micro businesses, 587 times higher than small businesses, and 34 times higher than the income of medium-sized businesses.

The Karasa Traditional Cake Industry Center is an MSME that has successfully empowered its members through nine business groups, namely Mawar, Raihan Mandiri, Finalist Mamminasae, Melati, Tunas Harapan, Multazam, Teratai, Gemilang, and Muhammad Rafa. There are 185 active members in the processing and distribution of Karasa cakes with an average production of 12,800 packs/month with a selling price of Rp. 10.000/pack (iainpare.ac.id, 2022). However, to increase income as a form of welfare for business group members, it faces the challenge of increasing the scale of production and sales turnover (Darwis et al., 2023). Less than optimal production and sales are related to entrepreneurial capacity and access to resources (raw materials, technology and external capital). According to Samsuddin as the head of the Karasa Industrial Center, his group members have difficulty gaining access to unsecured financing with low interest rates (iainpare.ac.id, 2022).

Previous research shows that training, mentoring and coaching affect the success of MSME actors in the North Semarang area (Astutiningrum, 2019). The results show that the provision of training and business capital can affect the development of MSME businesses which also includes increasing the income of MSMEs (Andri Rahmawan, 2022), (Idris dkk, 2021), and (Tinneke dkk, 2020). However, several other studies show different results. States that training has no effect on the income of the Benge batik MSME center, but income increases due to capital support and good business governance (Amalia, 2018). The same thing shows that the existence of capital, both in the form of assistance and personal capital, affects the income of MSMEs (Fikri, 2017). However, funding and coaching have no effect on MSME income.

References from several studies place training and business capital as independent variables that affect income as the dependent variable with the use of regression analysis, but in this study adopted training as an exogenous variable and income as an endogenous variable, and business capital as a mediator of intervening variable relationships. Thus, it can be seen that the novelty of this study compared to previous studies in which there is a direct effect as well as an indirect effect, so that the research objective is to obtain a model of increasing the income of culinary industry players in Cempa District, Pinrang Regency.

Hypothesis Development

Effectiveness of Training on Business Capital

Human Capital Theory argues that investments in people today yield results in the future (Fitzsimons, 2015). Education and training is an investment to increase productivity. Capital is one of the factors of production that determine production output, capital is all goods in the company in the production productivity function (Riyanto, 2010). The output of business training is to provide entrepreneurial knowledge and provide skills to business actors. The business plan training material provides questions on how much capital is needed and how to get the capital (Darwis et al., 2023) while the business model canvas training material visualises nine building blocks including key partners that designate external parties that support the business, namely financial institutions as a source of funding for business actors (Maulidah et al., 2022). The training will produce participants who have the ability to estimate business capital in the form of a business proposal document so that it will be easier to convince financial institutions to fulfil their capital needs for business capital.

Research showed a positive and significant effect of business training on increasing business capital (Wiyani dkk, 2017), (Cika Nugrahaning Widhi, 2020). Effective training produces participants who have an understanding of the existence of financial institutions, especially banking institutions that provide access to credit or capital and have the ability to estimate business capital needs in the form of business proposal documents.

H1 = Training effectiveness has a positive and significant effect on business capital

Effectiveness of Training on Income

Training effectiveness indicates the success achieved from training aimed at expanding knowledge and improving skills. Training is considered effective if it shows changes in knowledge and skills and can generate more revenue for the company (Ai-Yee et al, 2007). Revenue is income from business activities known by terms such as sales proceeds, service proceeds, rent, interest, dividends, and royalties (Ikatan Akuntan Indonesia, 2019). If explained, income is divided into wages and salaries from service income, income from own business from sales and rent, and income from other businesses from interest, dividends and royalties. So it can be categorised as MSME business income as income from own business.

The results of research show that training and education programmes affect income (Andri Rahmawan, 2022), (Suminah, 2022). Empowerment of micro, small and medium enterprises is carried out by the government and non-governmental organisations in the form of training and mentoring programs in the hope of increasing the income of MSMEs.

Different research results show that training has a negative and insignificant effect on business income (Mei Rani Amalia, 2018), (Sudirwo et al, 2023). In reality, carrying out effective training is not as easy as turning the palm of your hand. It is important to pay attention to

training indicators consisting of participants, training facilities, trainer skills, training materials, and training techniques so that training is effective for increasing income.

H2 = Training effectiveness has a positive and significant effect on income

Effectiveness of Training on Income Through Business Capital

The quality of human resources needs to be improved by seeking appropriate education and training and paying attention to the needs of the work done by the community itself (Korompis, 2005). The broader the entrepreneurial knowledge (knowledge) about production factors and the deeper the skills (life skills) about business innovation, the more opportunities for business actors to develop their businesses. The classic problem arising from business development is a matter of capital (Putri et al., 2023), business capital is one of the elements of production that actively determines the level of production. Maximum production, maximum income or profit can be achieved.

The results of research (Ni Made Dwi Maharani, 2016) show that own capital as an independent variable has an influence on loan capital as an intervening variable and loan capital has a positive influence on income. This positive influence indicates that the more effective the training, the higher the level of use of business capital sourced from loans and the higher the income earned by business actors.

H3 = The effectiveness of training has a positive and significant effect on income through business capital

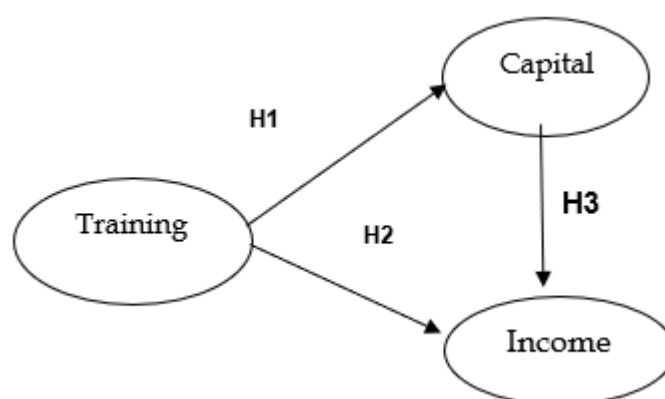


Figure 1. Conceptual Framework
Source: Primary Data processed

RESEARCH METHODS

This research was conducted in the Karasa Industry center of Pinrang district, so it is included in the category of field research, which is designed with a quantitative exploratory approach to find patterns and relationships behind the data.

The population in this study were Karasa cake industry players who were members of the Karasa cake industry center consisting of 9 business groups with a total of 185 members. The sampling technique is purposive sampling (Subagyo, 2004) with the criteria that active members of business groups, participate in entrepreneurship training and receive credit / financing loans from financial institutions. Because researchers use sample selection criteria if MSME actors have attended business training but have never received credit/financing loans in their business operations or received credit/financing loans but have never attended business training, they are declared invalid. Therefore, the sample size used in this study was only 55 respondents.

Data were collected through observation, interview, and questionnaire techniques. In observation, efforts were made to trace the object of research so that the data collected could be accurate and representative preliminary data. Interviews were conducted with selected respondents who have positions, experience and broad insight into the object of research. The respondents interviewed were limited (the head of the industrial center and the head of the business group). For questionnaires, researchers circulated questionnaires to respondents, namely business group members who were members of the Karasa cake industry center.

Partial Least Square (PLS) based SEM is the data analysis technique used. The structural model is based on covariance between exogenous variables, intervening endogenous and bound endogenous variables (Noor, 2014). Modeling consists of a measurement model (outer model) and a structural model (inner model). The measurement model describes the proportion of variance of each manifest variable (indicator), which is capable of being analyzed by latent variables. Meanwhile, the structural model examines the effect of each exogenous latent variable on endogenous latent variables. There are 12 manifest variables and 3 latent variables, namely training effectiveness (X) measured by 5 manifest variables, business capital (Y1) measured by 4 manifest variables, and income (Y2) measured by 3 manifest variables used in this study.

Result and Discussion

Result

The research aims to examine the model of increasing the income of Karasa cake industry players in Pinrang Regency, based on the existence of direct and indirect effects of the effectiveness of entrepreneurship training and business capital sourced from loans, in this study 55 people the total number of respondents.

Table 1. Characteristics of Respondents

Characteristics	Total	Percentage
Gender		
Women	53	96,36%
Male	2	3,63%
Age		
< 20	2	3,63%
20 - 30	3	5,45%
31 - 40	16	29,09%
41 - 50	27	49,09%
51 - 60	6	10,90%
> 60	1	1,81%
Education		
SD	11	20%
Secondary School	21	38,18%
High School	19	34,54%
Undergraduate	4	7,27%
Business Group		
Raihan Mandiri	20	36,36%
Mawar	2	3,63%
Finalis Mamminasae	2	3,63%
Melati	8	14,54%
Multazam	6	10,90%
Gemilang	5	9,09%
Teratai	4	7,27%
Tunas Harapan	6	10,90%
Muh Rafa	2	3,63%

Creditor Institution		
B RI	27	49,09%
PNM Mekaar	7	12,72%
Koperasi	4	7,27%
Bank Mandiri	1	1,81%
PNPM Mandiri	16	29,09%
Length of Business		
1 - 2 years	2	3,63%
3 - 4 years	2	3,63%
5 - 6 years	1	1,81%
> 6 Years	50	90,90%
Revenue		
< IDR 1.000.000	4	7,27%
Rp. 1.000.000-Rp. 2.500.000	35	63,53%
Rp. 2.500.000-Rp. 4.000.000	16	29,09%

Source: Primary Data processed

Data collected from 55 respondents through the distribution of questionnaires, the answers were scored using agree-disagree scale by making statements that provide responses "strongly agree" to "strongly disagree" in different interval value ranges (Sugiono, 2007)

Measurement Model (Outer Model)

Evaluation is done by measuring convergent validity, discriminant validity and Composite Reliability.

According to Imam Ghazali, the Outer Loading value between 0.50 and 0.60 has been able to fulfil the requirements of Convergent Validity (Ghozali, 2014) and Average Variance Extracted (AVE) score is at least 0.50, which means that the variable can explain more than half of the variability of its indicators on average (Hair, 2010). The following table displays the output of SmartPLS in Outer Loading:

Table 2. Outer Loading and AVE Result

Variables	Indicators	Outer Loading	AVE
Training effectiveness (X)	X1	0.759	0,555
	X2	0.757	
	X3	0.704	
	X4	0.726	
	X5	0.778	
Business capital (Y1)	Y.1.1	0.809	0,514
	Y.1.2	0.781	
	Y.1.3	0.698	
	Y.1.4	0.552	
Income (Y2)	Y.2.1	0.778	0,692
	Y.2.2	0.866	
	Y.2.3	0.850	

Source: Primary Data processed

The results of the indicators meet the criteria for the outer loading > value of 0.50. Because the construct has an outer loading value greater than 0.50, and AVE scores for the three variables are above 0.50. The construct is considered valid and has met the validity standards. Figure 2 is the loading factor output from the modelling.

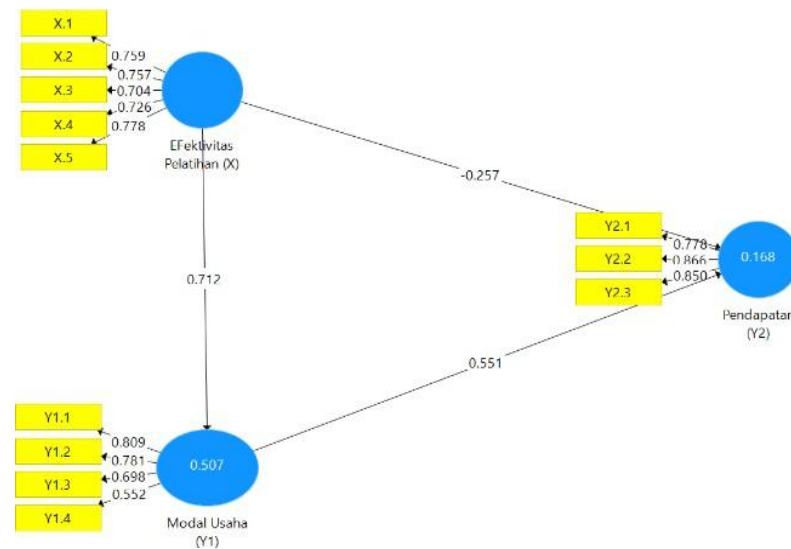


Figure 2. Modelling factor loading output
 Source: Primary Data processed

The cross loading results in an indicator are considered valid if its correlation coefficient with each construct is greater than the value of the other correlation coefficient. The cross loading results are as follows.

Table 3. Cross Loading Result

Variable Indicator	Training Effectiveness	Business Capital (Y1)	Income (Y2)
X1	0.759	0.575	0.084
X2	0.757	0.511	0.225
X3	0.704	0.481	-0.008
X4	0.726	0.467	0.017
X5	0.778	0.598	0.153
Y.1.1	0.556	0.809	0.299
Y.1.2	0.565	0.781	0.264
Y.1.3	0.556	0.698	0.138
Y.1.4	0.339	0.552	0.371
Y.2.1	0.165	0.342	0.778
Y.2.2	0.167	0.345	0.866
Y.2.3	-0.018	0.212	0.850

Source: Primary Data processed

Table 3 shows that each variable has a greater value in describing its own variable than the other variables. As a result, the data model used in this study fulfils the discriminant validity criteria.

The measuring instrument used to measure the questionnaire which is an indicator of the variable is the reliability test. If a measuring instrument is reliable, then the measuring instrument is considered capable of producing fixed or constant measurement results. Composite reliability value for exploratory research can still be between 0.60 and 0.70, but for confirmatory research it must be more than 0.70 (Ghozali, 2014). The following is a table of Composite reliability values.

Table 4. Composite Reliability Results

Variables	Cronbach Alpha	Composite Reliability
Training effectiveness (X)	0.800	0.862

Business capital (Y1)	0.674	0.806
Income (Y2)	0.777	0.871

Source: Primary Data processed

Based on table 4, it can be concluded that all constructs are reliable, both *composite reliability* and *Cronbach alpha*, have values above 0.60. This shows that all variables in this research model have *internal consistency reliability*.

Table 5. Summary of Data from Outer Model Testing Results

Variables	Indicator	Outer Loading	CA	CR	AVE	Discriminant Validity
Training Effectiveness (X)	X1	0.759	0.800	0.862	0.555	VALID
	X2	0.757				
	X3	0.704				
	X4	0.726				
	X5	0.778				
Business Capital (Y1)	Y.1.1	0.809	0.674	0.806	0.514	VALID
	Y.1.2	0.781				
	Y.1.3	0.698				
	Y.1.4	0.552				
Income (Y2)	Y.2.1	0.778	0.777	0.871	0.692	VALID
	Y.2.2	0.866				
	Y.2.3	0.850				

Source: Primary Data processed

Structural Model (Inner Model)

Chin in Ghazali (2014) states, the results for the R-squares value for endogenous latent variables of 0.67 indicate a "good" model, R-squares of 0.33 indicate a "moderate" model, and R-squares of 0.19 indicate a "weak" model. The results can be seen in the following table:

Table 6. R-Square Resultes

	R-Square
Business Capital (Y1)	0.507
Income (Y2)	0.168

Source: Primary Data processed

The model of the effect of training effectiveness on business capital provides an R-Square value of 0.507 (moderate), which means that the variability of the business capital construct can be explained by the variability of the training effectiveness construct by 50.7%, while 49.7% can be explained by other variables outside the study. The R-Square value that has a joint or simultaneous effect of training effectiveness (X) and business capital (Y1) on income (Y2) is 0.168 (weak), which means that the variability of the training effectiveness construct (X) and business capital (Y1) is 16.8%, while 83.2% is explained by other variables outside the study.

Predictive Relevance (Q-squared) of the structural model, which measures how well the model produces values other than its parameter estimates, is the next phase in the measurement process. A Q-squared value above zero, according to Chin in Ghazali (2014), indicates that the model has predictive relevance. The Q-Square calculation is done by the formula:

$$Q^2 = 1 - (1 - R1^2) (1 - R2^2)$$

Then the Q2 value in this study can be obtained:

$$Q^2 = 1 - (1 - 0,507)(1 - 0,168)$$

$$Q^2 = 1 - (0,493)(0,832)$$

$$Q^2 = 1 - 0,410176$$

$$Q^2 = 0,589824$$

The result of the Q-Square calculation is 0.589824 or can be rounded up to 0.589 or 58.9%. This shows that the research model can take into account the endogenous variable, namely income, because it has a value greater than zero ($Q^2 > 0$),

Hypothesis Testing

The results of the Path Coefficient calculation are outlined in the following table.

Table 7. Hypothesis Test Result Data via Path Coefficient Bootstrapping Technique

	<i>Original Sample (O)</i>	<i>Sample Average (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>T Statistic (O/STDEV)</i>	<i>P Values</i>
Training Effectiveness (X) -> Business Capital (Y1)	0.712	0.711	0.081	8.744	0.000
Training Effectiveness (X) -> Income (Y2)	-0.257	-0.261	0.252	1.020	0.308
Business Capital (Y1) -> Income (Y2)	0.551	0.568	0.252	2.613	0.009

Source: Primary Data processed

The parameter coefficient is 0.712, indicating that this value has a positive effect. It is said to have a significant effect if the p value < 0.05 or T statistic > 1.96 , based on the t-statistic of 8.744, which is greater than the t-table value of 1.96 (> 1.96) and P Values $0.000 < 0.05$, then the effect can be said to be significant. Therefore, the effect of training effectiveness on enterprise capital is directly positive and significant. Therefore, the first hypothesis (H1) is accepted.

The parameter coefficient is -0.257, indicating that the value has a negative effect. Based on the t-statistic of 1.020, where the value is smaller than the t-table value of 1.96 (> 1.96) and the P Values are $0.308 > 0.05$, so the effect can be said to be insignificant. Therefore, the direct effect of training effectiveness on income is negative and insignificant. Thus, the second hypothesis (H2) is rejected.

Table 8. Indirect Effect Results

	<i>Original Sample (O)</i>	<i>Sample Average (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>T Statistic (O/STDEV)</i>	<i>P Values</i>
Training Effectiveness (X) -> Business Capital (Y1)					
Training Effectiveness (X) -> Income (Y2)	0.392	0.406	0.167	2.341	0.019
Business Capital (Y1) -> Income (Y2)					

Source: Primary Data processed

The parameter coefficient is 0.392, indicating that this value has a positive influence. Based on the t-statistic of 2.341, where the value is greater than the t-table value of 1.96 (> 1.96) and the P Values are $0.019 < 0.05$, so the effect can be said to be significant. Therefore, the effect of

training effectiveness on income from business capital indirectly has a positive and significant effect. Therefore, the third hypothesis (H3), is accepted.

Discussion

Effect of Training Effectiveness on Business Capital

Theories related to the relationship between entrepreneurship training and business capital include Human Capital Theory, which emphasises the importance of education and training to improve the ability to innovate and develop business. The ability to innovate can be developed through the Business Model Canvas in the form of a visual graph containing nine building blocks including key partners that designate external parties that support the business, in this case financial institutions as a source of funding for business actors (Maulidah et al., 2022). While a long-term orientated business can be developed through a Business Plan as a written document that outlines the future of the business, the contents of the document including planning capital requirements and sources of capital (Darwis et al., 2023). Entrepreneurship training is effective in increasing knowledge of the importance of business capital as a resource that can be optimised and providing skills to business actors on how to gain access to business capital sourced from external, namely financial institution creditors. In addition, there is a theory that develops a theoretical model of how entrepreneurship training can reduce the negative effects of capital constraints on business creation (Bischoff et al., 2020)

From the test results, the effectiveness of training positively and significantly affects business capital, these results can explain the effectiveness of entrepreneurship training in influencing Karasa cake business actors in increasing capital use. The better the training provided to members of the Karasa cake industry centre group, the higher the level of use of business capital. Vice versa, the less training provided to the Karasa cake industry centre group, the lower the level of use of external capital in the form of business credit loans.

Although it has been perceived very well by respondents, entrepreneurship training must still improve the quality of its implementation so as to achieve output in the form of increased entrepreneurial knowledge and skills (life skills) of members of the Karasa cake business group. Training will be effective if it produces participants, namely members of the Karasa cake business group who have an understanding of the existence of financial institutions, especially banking institutions that provide access to credit or capital and have the ability to estimate business capital needs in the form of business proposal documents so that it will be easier to convince financial institutions to meet their capital needs.

The results of research entitled Working Capital Analysis of People's Business Credit (KUR) on the Impact of Entrepreneurship Education and Training on Entrepreneurial Success in Sidoarjo Regency are in accordance with the results of this study (Cika Nugrahaning Widhi, 2020). The findings show that entrepreneurship education, entrepreneurship training and entrepreneurial success affect KUR working capital. Similar findings in research with the title Entrepreneurship Development Strategy for Asnaf Fakir and Miskin through Zakat Capital Assistance of Al-Falah Surabaya Social Fund Foundation also show the impact of entrepreneurship training and mentoring on business capital assistance from microfinance institutions has increased which has an impact on business stability (Itsnaini and Ritonga, 2017). Based on the results of the research, there is a unidirectional (positive) relationship between this research and previous research.

The Effect of Training Effectiveness On Income

If a business wants to achieve optimal results in the form of increased business revenue, the quality of human resources must be improved. The alternative is to provide education and training tailored to the needs of work or business activities. Human Capital Theory emphasises the importance of education and training in improving the performance or quality of human resources. Therefore, MSME actors must place entrepreneurship training as a result of efforts to increase business income.

This shows how important the effect of training is on income. The more effective the training provided to MSME actors, the higher the income level of the MSME actors. Vice versa, the less effective the training of MSME actors, the lower the income level of MSME actors.

However, in reality, conducting effective training is not easy. Often, training is considered inappropriate to the needs and desires of MSME actors. The same is the case with the effectiveness of training for group members of the Karasa cake industry centre in Pinrang Regency.

From the test results, the effectiveness of training has a negative and insignificant effect on income. This result can explain the lack of effectiveness of entrepreneurship training provided, which cannot directly affect the income level of Karasa cake business actors. This means that the type of training offered needs to be reviewed, so that it is expected that the training can increase the business income of members of the Karasa Cake Industry centre group. Before training is conducted, it is important to know what the needs and perceptions of business actors are towards new phenomena in business as the results of research on the perception of micro steel businesses in India towards funding sources using financial technology (Singh, 2023).

Although it has been perceived well by respondents, entrepreneurship training must still improve the quality of its implementation so as to achieve output in the form of increased entrepreneurial knowledge and skills (life skills) of members of the Karasa cake business group. Entrepreneurship training is not effective if it produces participants, namely members of the Karasa cake business group who only know and understand the concept of good business planning but do not have a creative, innovative attitude and mentality, dare to take the risk of creating or developing the products produced. This shows that if a training is to produce an outcome that is optimal income, it requires the right type of training and assistance after training so that the quality or performance of its human resources can improve product quality and increase sales turnover of Karasa cakes.

The results of the study are in accordance with the results of research the title "Analysis of the Effect of Training, Capital Assistance and Business Management Methods on Micro, Small and Medium Enterprises Income-Case Study of MSME Batik Centres in Bengle Village, Tegal Regency (Mei Rani Amalia, 2018). The results showed that the training had no impact on the income of MSMEs in the batik centre of Bengle village, Tegal Regency. The same results from research "Analysis of Millennial Farmers' Business Income through the Youth Entrepreneurship and Employment Support Services (YESS) Programme in South Kalimantan" (Sudirwo et al, 2023). The research findings show that the training variable has an insignificant negative impact on business income. The research findings indicate that there is a unidirectional (negative) relationship between this study and previous research.

Effect Of Training Effectiveness On Income Through Business Capital

Business income is an element that is seen as an achievement of business actors in running their business in a certain period. Revenue can be seen from the value of sales, value of services, interest, dividends, royalties, and rent (Ikatan Akuntan Indonesia, 2019). Maximum income can

be achieved if you are able to use production factors to produce optimally which results in sales turnover. Effective training will further expand entrepreneurial knowledge (knowledge) about production factors and deepen skills (life skills) using production factors, including business capital which actively determines the level of production.

From the results of direct testing, the effectiveness of training has a negative and insignificant effect on the income of members of the Karasa Cake Industry centre group. Meanwhile, working capital has a positive and significant effect on the income of members of the Karasa Cake Industry centre group. The results of indirect testing show that the effectiveness of training on income through working capital has a positive and significant effect. These results are in accordance with the hypothesis which states that the effectiveness of training has a positive and significant effect on income through business capital.

Based on the test results, it can explain that business capital has a positive and significant influence on the income of members of the Group of the Karasa Cake Industry centre. This positive effect shows that the higher the use of business capital from loans, the higher the income earned by members of the Karasa Cake Industry centre group. Some studies show similar results, although they still contribute according to the results of their respective studies, including research with the title "The Effect of Own Capital and Loan Capital on the Income of Micro, Small and Medium Enterprises in Dungingi District, Gorontalo City" (Risnanda et al, 2021). Shows the results that own capital and loan capital have a positive effect partially and simultaneously on MSME income. Although there are also those who show different results with the title "The Effect Of Own Capital, Borrowed Capital, And Length Of Business On MSME Income In East Karawang District" where the result is that it has an insignificant negative effect, which means that the higher the loan capital, the lower the income level of MSMEs (Nur Aliffah Hermawan et al, 2024).

In this study, the business model is tested for its role as a mediator variable that can indirectly explain how and why the relationship between the independent and dependent variables can occur between training effectiveness and income. Business capital provides an indirect positive influence between training effectiveness and income increase, where previously the results of research directly affected training effectiveness with a negative correlation.

Business capital is an intervening variable with high significance in this study, thus indicating that it not only has a significant direct effect, but also a significant indirect effect on income when associated with the effectiveness of training further increases income. That is, with better training of members of the Karasa Cake Industry centre group, then indirectly the level of income will increase, taking into account the accuracy of entrepreneurial training materials that produce outputs of increased knowledge about the capital structure in the form of equity and debt, as well as the skills of Karasa cake business group members in overcoming obstacles in accessing external capital from creditors in the form of low interest unsecured loans. This is in line with the request from Samsuddin as the head of the Karasa cake industry centre for the next MSME training to take the theme of accessibility to financial institutions, as well as supporting government programmes to increase understanding and access to banking, especially Islamic banking, as the research findings that the Sharia Financial Literacy Index in South Sulawesi Province is in the medium category and Islamic financial inclusion is in the low category (Yunus dan Rini, 2021), this shows that people already know Islamic finance but do not really understand Islamic financial products and the ease and availability of access to Islamic banking is still lacking.

Conclusion and Suggestion

Based on the research results, the following conclusions can be drawn. First, the effectiveness of training has a positive and significant effect on business capital. Training is effective in increasing the understanding of members of the kue karasa business group of the importance of business capital and providing literacy to business actors how to get access to capital sourced from banking institutions. In addition, entrepreneurship training can reduce the negative effects of capital limitations on business development. Second, the effectiveness of training has a negative and insignificant effect on income. Entrepreneurship training provided, cannot directly affect the income level of Karasa cake business actors. The type of training offered needs to be assessed for suitability to the needs, so that the training can effectively affect the increase in business income of members of the Karasa Cake Industry centre group. Third, training effectiveness has a positive and significant effect on income through business capital. Business capital not only has a significant direct effect on income, but also a significant indirect effect on income when associated with training effectiveness. Training indirectly increases income by paying attention to the accuracy of entrepreneurship training materials that produce outputs of increased knowledge in overcoming obstacles in accessing external capital from creditors in the form of low interest unsecured loans.

This research contributes academically and practically; academically, this research examines the conceptual basis for increasing the income of MSME actors through training and business capital literacy. While practically, it provides an understanding to home-based business actors of the importance of participating in business training and increasing business capital from various funding sources to develop their businesses. However, there are several limitations to this research that are recognized. Firstly, this study only measures the effectiveness of training not the form of training and measures business capital not the source of business capital. Secondly, this study has not included independent variables such as modern market accessibility and credit accessibility, legality aspects, and local culture as well as motivation and lifestyle moderation variables so that it is still limited to the model of increasing business income. Third, the scope of the study was limited because not all Karasa cake business actors became research samples, resulting in limited perspectives from business actors who are independent in business funding. So it is hoped that future research will add variables that conceptually and empirically determine the increase in MSME income and the research sample is the population of the MSME industry center so that the research results will produce a research pattern that can help MSME group organizations in making welfare-oriented policies

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