

ANALYSIS OF THE EFFECTIVENESS OF THE INFLUENCE OF THE BAITULMAAL MUAMALAT EMPOWERMENT PROGRAM "SAHABAT UMKM INDONESIA" ON THE EXISTENCE OF MSME PERFORMANCE WITH INTRINSIC MOTIVATION AS A MEDIATING VARIABLE

ANALISIS EFEKTIVITAS PENGARUH PROGRAM PEMBERDAYAAN BAITULMAAL MUAMALAT "SAHABAT UMKM INDONESIA" TERHADAP EKSISTENSI KINERJA UMKM DENGAN MOTIVASI INTRINSIK SEBAGAI VARIABEL MEDIASI

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ABSTRAK

This study aims to analyze the effectiveness of Baitulmaal Muamalat "Sahabat MSME Indonesia" empowerment program on the performance of MSMEs, with intrinsic motivation as a mediating variable. This study used 80 respondents using a quantitative approach and the SmartPLS Structural Equation Modeling (SEM) statistical method. The results showed that training significantly influenced intrinsic motivation and MSME performance. Mentoring significantly influenced MSME performance, not significantly influenced MSME performance mediated by intrinsic motivation. Intrinsic motivation significantly influenced MSME performance. Based on the respondents' education level, nearly 65% of respondents had a high school or university degree. Therefore, comprehensive training was sufficient for respondents to understand the material presented. Meanwhile, pre-arranged mentoring seemed more focused on meeting schedules, with solutions offered that weren't necessarily relevant to MSMEs' problems. Mentoring didn't significantly influence intrinsic motivation because the material presented didn't directly impact the intrinsic motivation of entrepreneurs but required more time than the mentoring schedule. The limitations of this study are quantitative methods and the use of a single institution. A combined quantitative and qualitative research model could be used to further enhance the relevance of the results. Further research is needed to test the generalizability of the results and establish causal relationships more comprehensively.

Keywords: Training, Mentoring, Intrinsic Motivation, MSME Performance

ABSTRAK

Penelitian ini bertujuan untuk menganalisis efektivitas program pemberdayaan Baitulmaal Muamalat "Sahabat UMKM Indonesia" terhadap kinerja UMKM, dengan motivasi intrinsik sebagai variabel mediasi. Penelitian ini menggunakan 80 responden dengan pendekatan kuantitatif dan metode statistik Structural Equation Modeling (SEM) SmartPLS. Hasil penelitian menunjukkan bahwa pelatihan berpengaruh signifikan terhadap motivasi intrinsik dan kinerja UMKM. Pendampingan berpengaruh signifikan terhadap kinerja UMKM, namun tidak berpengaruh signifikan terhadap kinerja UMKM melalui motivasi intrinsik sebagai mediasi. Motivasi intrinsik berpengaruh signifikan terhadap kinerja UMKM. Berdasarkan tingkat pendidikan responden, hampir 65% responden memiliki pendidikan SMA atau perguruan tinggi. Oleh karena itu, pelatihan yang komprehensif sudah cukup bagi responden untuk memahami materi yang disampaikan. Sementara itu, pendampingan yang sudah terjadwal sebelumnya tampak lebih berfokus pada pemenuhan jadwal, dengan solusi yang ditawarkan tidak selalu relevan dengan permasalahan UMKM. Pendampingan tidak berpengaruh signifikan terhadap motivasi intrinsik karena materi yang disampaikan tidak secara langsung mempengaruhi motivasi intrinsik para pelaku usaha, serta membutuhkan waktu lebih lama dari jadwal pendampingan yang ada. Keterbatasan penelitian ini terletak pada penggunaan metode kuantitatif dan hanya melibatkan satu lembaga. Model penelitian gabungan kuantitatif dan kualitatif dapat digunakan untuk lebih meningkatkan relevansi hasil penelitian. Penelitian selanjutnya

diperlukan untuk menguji generalisasi hasil penelitian dan membangun hubungan kausal secara lebih komprehensif.

Kata kunci: *Pelatihan, Pendampingan, Motivasi Intrinsik, Kinerja UMKM*

1. INTRODUCTION

At the end of 2019, the world experienced an extraordinary event: the COVID-19 pandemic. Originating in Wuhan, China, the virus rapidly spread throughout the country, including Indonesia, causing the majority of Indonesians to lose their livelihoods and severely impacting the socio-economic sector due to restrictions on movement, including the flow of people and goods to comply with health regulations. This led to shortages in clothing and food.

Around September 2022, after the COVID-19 pandemic, community activities gradually returned to normal. The pandemic's continued absence of full recovery leaves a significant challenge to help improve the nation's economic conditions. This has led to the emergence of Micro, Small, and Medium Enterprises (MSMEs) in every industrial sector, which have sprouted like mushrooms in the rainy season. MSMEs in Indonesia make a significant contribution to the nation's economic growth. MSME entrepreneurs are generally lower-middle class individuals, using their skills to create products and services to offer consumers. The technology used is still rudimentary, both in terms of product manufacturing technology and the distribution permit method, which has not yet been properly certified. This occurs because the vision, mission, and initial analysis of the start-up of MSME businesses are not properly analyzed, resulting in underdevelopment. Therefore, a concrete solution is needed, under the auspices of an institution that acts as a facilitator and mediator to support the existence and development of MSMEs, thus becoming a sustainable and environmentally friendly industry.

Baitulmaal Muamalat Agency (BMM) is a national zakat collection agency (LAZNAS) officially established by the President of the Republic of Indonesia, Dr. Hamza Haaz, and the Minister of Religious Affairs of the Republic of Indonesia on June 16, 2000. BMM's vision is to become an independent, professional, and superior national zakat collection agency, facilitating zakat payments in accordance with Sharia law, while also serving and improving the welfare of those who mustahik (recipients of Islamic charity). Its mission is to develop technology-based good governance in zakat and waqf management, develop competent human resources for the institution's continued growth and development, build strategic alliances with various stakeholders for the institution's independence and benefit, and develop empowerment services and programs to improve the welfare of those entitled to receive benefits.

One form of empowerment implemented by BMM is Sahabat UMKM Indonesia (UMKM Naik Kelas), a program that provides intensive mentoring for Indonesian MSMEs. MSMEs receive assistance in managing and developing their businesses for a period of approximately 6 to 12 months through training, marketing assistance, business permit processing, and other support, including operational production funding. This program is expected to enable MSMEs to compete with domestic and international industries. Based on data from BMM's mentoring programs, 250 MSMEs across Indonesia have benefited from the training and mentoring provided by this empowerment program. However, further research is needed to determine the impact of empowerment on the existence of BMM-mentored MSMEs to ensure the program's sustainability and future improvements.

2. LITERATURE REVIEW

2.1 MSME Performance

Performance is a function of motivation, efficiency, and capability, which interact to achieve specific goals (Robbins and Judge, 2016). According to Moehariono (2012),

performance is the effort to realize an organization's vision, mission, goals, and objectives within a strategic plan. It can be measured primarily by the success of a company or organization in implementing and increasing product sales.

Several forms of mentoring provided to MSMEs, tailored to their needs and goals, such as entrepreneurial mentoring, financial management assistance, and economic empowerment, can ultimately solve the problems faced by MSMEs (Christina, 2020).

MSME performance influences several aspects, particularly the financial and business sustainability of MSMEs. According to Yulianto (2022), sales performance is the result of the implementation of various sales strategies implemented by an organization or company. Sales performance will achieve maximum results in line with company goals if the supporting components, such as marketing, knowledge, and human resource (HR) capabilities, are competent in marketing products. According to Naumi (2020), sales performance is significantly influenced by product innovation and simultaneous market orientation in a home industry. Innovation is a new idea or concept manifested in the form of a new and updated product or service to meet market needs and consumer demand.

Sales performance can be measured through several interconnected aspects, such as marketing, training, coaching, and employee motivation. According to Patricia et al. (2019), geographic and demographic market segmentation variables have a significant and positive influence, both partially and simultaneously, on sales performance. According to Ridwan (2023), there are positive and significant results between training and store employee performance. Good employee performance directly impacts organizational success, demonstrated by increased product sales.

2.2 Training

Empowerment is a principal aspect of humans and the environment that is the primary focus of the development paradigm, encompassing socio-economic, political, environmental, and security aspects. This is the result of developing the material-physical and intellectual aspects of human resources (Femy 2014).

Any empowerment program, regardless of its form, such as training or funding for communities or businesses, essentially aims to foster independence and a sense of competence in businesses, such as MSMEs, to build strength and ensure their businesses are sustainable.

The empowerment program implemented by Baitumaal Muamalat (BMM) in its "Friends of Indonesian MSMEs" program, developed by the program division, includes training, mentoring during the program, business coaching, and guidance on charity based on Islamic law. Developing high-quality, knowledgeable, and highly motivated human resources takes time and effort, and requires appropriate strategic steps, including regular and ongoing training and mentoring. Several forms of training, such as training and development, on-the-job training, and training design and delivery, have demonstrated significant impacts on organizational performance and the performance of each division, increasing employee efficiency, effectiveness, and capability (Raja et al. 2011).

The meaning and value of training culture are linked to training within an organization. This includes planned training, specific features, stability, and sustainability, as well as perceptions of training created by employees and management regarding the meaning and value of training for individuals, teams, and the organization (Federica Polo et al., 2018). Organizational and training strategies are crucial for contributing to a company's success in navigating dynamic changes in the workplace, enhancing sustainability and competitive advantage (Wajdi et al., 2014).

There are several forms of training a company can undertake, such as On-Job Training (OJT) and Off-Job Training (OFJT) (Wajdi et al., 2014). On Job Training (OJT) is carried out when employees are at the company or during their working days, while Off Job

Training (OFJT) is carried out when employees are outside the workplace, there are several important reasons why companies carry out OJT, including that training can be well planned and companies can be more effective in controlling time, such as reducing unproductive time during the training period, especially for new employees, while OFJT is carried out when training participants are in large numbers with the same training needs and the same training needs. Companies have the facilities and capabilities to conduct distance learning (Rothwell and Khazanas 2004).

2.3 Mentoring

Mentoring is a follow-up activity to the training program, aimed at directly assisting business owners or MSMEs in the field in applying the training knowledge and providing solutions to MSME problems. According to Rosinta et al. (2022), the intensive mentoring activities, conducted over two months in Mangir Kidul Hamlet, Bantul Regency, Yogyakarta Special Region, provided a new learning environment for students during the pandemic and improved their understanding of the subject matter.

MSMEs are the largest business group in Indonesia and have proven their resilience in supporting the national economy even during economic downturns. The mentoring program encompasses not only knowledge transfer but also active involvement in assisting MSMEs in identifying problems, designing solutions, and evaluating business progress. According to the 2008 Law, MSMEs are classified based on the amount of assets and turnover they own, as shown in Table 1.1.

Table 1.1 MSME Categories

Business Category	Minimum (IDR)	Maximum (IDR)
Micro Enterprises	50 Million	300 Million
Small Enterprises	- >50 Million - 500 Million	>300 Million - 2.5 Billior
Medium Enterprises	>500 Million - 10 Billion	>2.5 Billion - 50 Billion

Source: Ministry of Cooperatives and Small and Medium Enterprises, 2012

Based on their development, according to Rahmana (2008), MSMEs can be classified based on the following criteria:

1. Livelihood Activities

Businesses conducted to earn a living to meet daily food needs, such as street vendors

2. Micro Enterprises

Businesses that are artisans but do not yet possess an entrepreneurial spirit

3. Small Dynamic Enterprises

Small and medium enterprises that have the courage and ability to accept subcontractors and export.

4. Fast-Moving Enterprise

Small and medium enterprises that have the courage and ability to become Large Enterprises (UB).

2.4 Intrinsic Motivation

Intrinsic motivation is the inner drive or drive that drives a person to carry out an activity to achieve a desired goal without intervention or pressure from external factors. According to Sardiman (2006), every individual already has a drive to do something in the form of an active and functioning motive without the need for external stimulation.

2.5 Relationships Between Variables

2.5.1 Relationship between Training and MSME Performance

According to Puji (2025), training has a positive and significant effect on work engagement, which in turn impacts innovative work behavior. An interactive training

process can improve performance and innovation. Habits or behaviors are not formed instantly but require time and a longer process.

According to Akhmat (2024), training programs have a significant impact on sales performance. This study shows that the more training an employee receives, the higher their sales performance. According to Aria et al. (2023), research findings indicate that institutional support, education, and training significantly impact the success of micro-enterprises. Training programs can increase productivity, innovation, and overall micro-enterprise performance, including financial performance. Productivity, innovation, and micro-enterprise performance can be enhanced through well-designed training programs, ultimately contributing to overall economic development and poverty alleviation.

Meanwhile, according to Ruwan (2020), business training conducted by Microfinance Institutions (MFIs) can improve MSME performance, including loan repayments, sales, profits, and skills.

Hypothesis 1 (H1): Training has a positive impact on MSME performance.

2.5.2 The Relationship between Mentoring and MSME Performance

Mentoring is an activity that accompanies an organization or institution, such as an MSME, in implementing improvements in the desired aspects. According to Opan (2020), there were significant results in the production and sales of opak products from the MSME in Cibuluh Village, Subang Regency, West Java Province, both in terms of production and sales. This indicates a positive correlation between the MSME mentoring process and sales performance, as evidenced by the increasing production and sales volumes after mentoring.

Based on the results of research by Sri et al. (2024) conducted on the Omah Iwak MSME, it shows that comprehensive training, mentoring, and evaluation efforts to address the problems faced by MSMEs, especially those caused by the impact of COVID-19 through mentoring with digital marketing methods, namely sales methods through the Go Food and Grab Food applications, resulted in an increase. Sales performance and business management, with a 200% increase in sales, from 50 transactions per month in January 2024 to 150 transactions per month in April 2024.

Hypothesis 2 (H2): Mentoring has a positive effect on MSME performance.

2.5.3 Relationship between Training and Intrinsic Motivation

According to Akhmat (2024), business motivation has a positive impact on the sales performance of HNI-HPAI members' products. Motivation, which is an inner drive or desire that arises without coercion, training provided by entrepreneurs provides additional skills and knowledge for entrepreneurs, thereby increasing their intrinsic motivation to continue training due to improved sales performance. According to Djaka (2018), formal training has a positive and significant effect on teachers' intrinsic motivation. This is demonstrated by the better the formal training provided, the better their intrinsic motivation. Training conducted with intrinsic motivation originating from within the individual or company will enhance enthusiasm for the training and its benefits will be felt. This will make the training more tangible and applicable in daily life, creating new, better habits.

Hypothesis 3 (H3): Training has a positive effect on intrinsic motivation.

2.5.4 Relationship between Mentoring and Intrinsic Motivation

Mentoring, including mentoring, is a regular and continuous activity in providing guidance to business actors. According to Torang (2023), mentoring has a positive and significant effect on work motivation at the National Search and Rescue Agency's Education and Training Center.

Hypothesis 4 (H4): Mentoring has a positive effect on intrinsic motivation.

2.5.5 Relationship between Intrinsic Motivation and MSME Performance

The previous explanation shows that intrinsic motivation has a significant positive effect on training and mentoring variables, which in turn impacts sales performance in a company. Gagné et al. (2018) revealed that employees with intrinsic motivation tend to perform better because they work with more enthusiasm and dedication. This intrinsic motivation encourages employees to complete work with greater focus and quality, as they derive direct satisfaction from the work they do.

Another study by Grant & Berry (2011) found that intrinsic motivation increases creativity and productivity in the workplace. Intrinsically motivated employees are more likely to take initiative, seek innovative ways to complete tasks, and be more proactive in facing challenges. This is due to the interest and satisfaction they derive from the work itself. This study shows that employees who work with intrinsic motivation produce better performance because they feel motivated to develop new ideas and improve the quality of their work.

This motivation gives them the mental strength to remain focused and productive even in stressful work situations. As a result, intrinsically motivated employees maintain high performance despite challenging work conditions. According to Ayu (2019), marketing personnel or employees with low motivation and confidence will fail to achieve sales performance targets.

Hypothesis 5 (H5): Intrinsic Motivation has a positive effect on MSME performance

2.5.6 The Relationship between Intrinsic Motivation and Training Mediating MSME Performance

Based on the indicators previously described, the self-esteem of each employee is influenced by intrinsic motivation, including in achieving performance goals, including sales. Therefore, this will be discussed further regarding the relationship between intrinsic motivation and training mediating MSME performance.

In addition to directly impacting MSME performance, training is also thought to influence performance by increasing work motivation, leading to increased sales figures, profits, expanded marketing areas, and customer satisfaction. Employees who gain greater understanding and skills through training are encouraged to implement methods or strategies to increase sales and business sustainability based on the knowledge gained through training.

Hypothesis 6 (H6): Intrinsic Motivation mediates the relationship between Training and MSME performance.

2.5.7 The Relationship Between Intrinsic Motivation and the Mediating Effect of Mentoring on MSME Performance

Mentoring is also predicted to influence MSME performance by increasing employee/worker work motivation. Involved employees often experience higher intrinsic motivation because they perceive and feel rewarded for their work. I provide assistance until they are competent during the mentoring program. Employees are satisfied with the results obtained because they can directly apply the knowledge gained during the training period through regular mentoring, allowing them to directly feel its beneficial impact. This, in turn, will increase their performance motivation to increase product sales along with the growing self-confidence of entrepreneurs or employees.

Hypothesis 7 (H7): Intrinsic motivation mediates the relationship between mentoring and MSME performance.

2.6 Empirical Model

The empirical model of this study includes the relationships between the variables previously described in the context of the influence of training and mentoring on MSME performance, mediated by intrinsic motivation. This model can be detailed as follows:

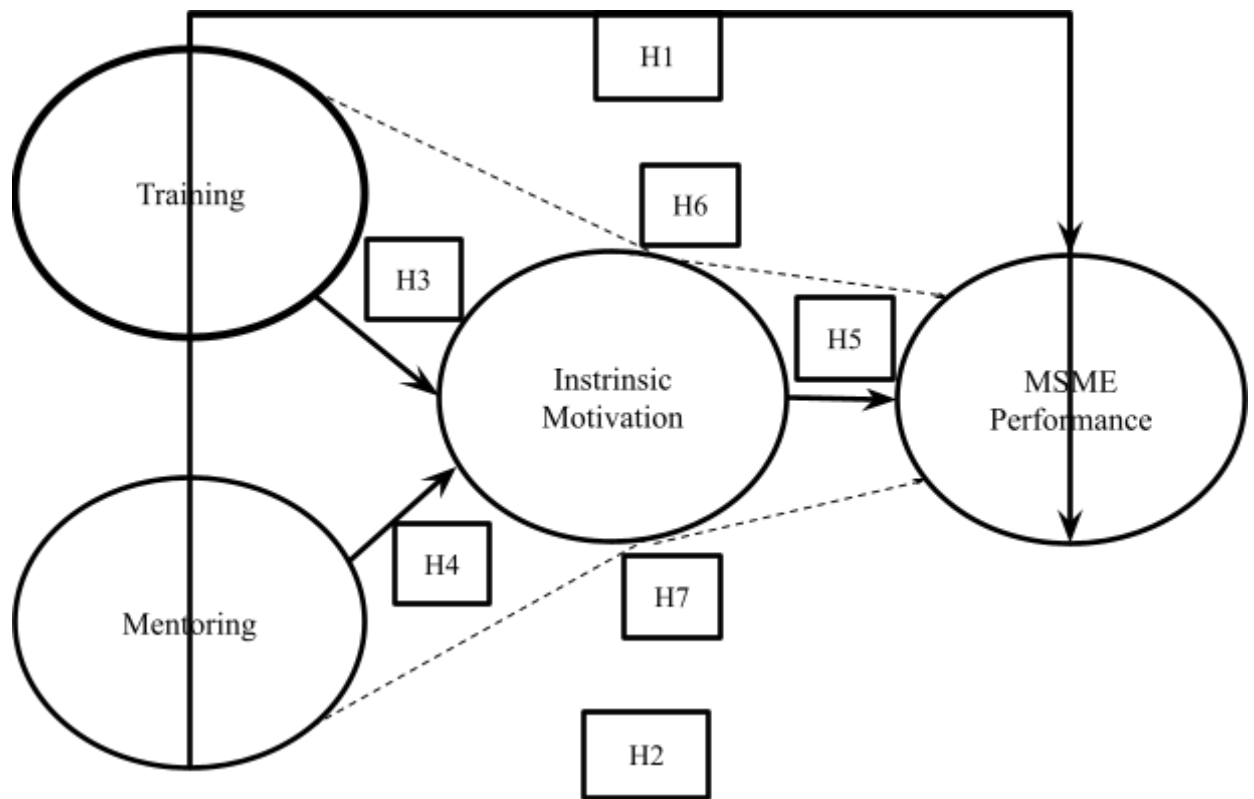


Figure 2.1 Empirical Research Model

3. METHODS

Research methodology is a method for conducting investigations or experiments designed to collect necessary data in the form of related information or to prove existing theories. This research connects cause and effect between observed variables based on field survey results, which will then generate primary and secondary data from a number of existing samples and relate them to the correlations between the variables. According to Sanusi (2013), one data collection technique is to create and submit a series of questions or statements verbally or in writing to respondents.

3.1 Type of Research

This type of research is quantitative research using a positivist approach. According to Sujarweni (2015), quantitative research is research that uses planned and measured statistical procedures to create a research design or overview, resulting in desired findings in the form of discovery data. The data obtained can be used to prove pre-formed hypotheses. According to Sugiyono (2019), quantitative data is used to evaluate existing hypotheses from collected data and analyze the data using statistical methods based on samples from a predetermined population. The purpose of this research is to conduct descriptive and explanatory analyses of the variables tested.

3.2 Sampling Technique

According to Sugiyono (2017), a generalization area consisting of objects or subjects according to characteristics determined by the researcher from which to draw results and conclusions is called a population. The population in this study is all 250 MSMEs assisted by the Baitulmaal Muamalat Foundation throughout Indonesia. These 80 MSMEs will be sampled based on active data from MSMEs still supplying products for sale under the auspices of BMM.

3.3 Data Sources and Types

Primary data will serve as the data source in this study, obtained directly from the research subjects without intermediaries through questionnaires distributed using statements or questions via a Google Form link using a Likert scale of 1-5. This questionnaire aims to determine respondents' responses regarding their perceptions of the training and mentoring provided by the BMM Foundation on MSME performance. Meanwhile, the secondary data used will be data previously collected at the BMM Foundation.

3.4 Data Collection Method

The data and information collection method uses quantitative research techniques through a questionnaire administered on a Likert scale of 1-5, where 1 means strongly disagree and 5 means strongly agree. A scoring system is then used to draw conclusions.

The data collection procedure is as follows: 1) Respondents are given a questionnaire in the form of a Google Form link that can be accessed via smartphone or laptop. 2) While completing the questionnaire, they are asked to provide explanations if anything is unclear. 3) After respondents have completed the questionnaire, their answers are tabulated, processed, analyzed, and summarized. The data calculation method uses a Likert scale for the questions given to respondents

3.5 Variables and Indicators

This study consists of two independent variables: Training (PL) and Mentoring (PDM), one mediating variable: Intrinsic Motivation (Mov), and one dependent variable: MSME Performance (Kin). To obtain more accurate data, these variables need to be broken down into indicators based on operational definitions. The indicators used in this study are displayed in Table 3.1 below:

Table 3.1 Variables and Indicators

Variable	Operational Definition	Indicator
Training	Respondents' perceptions regarding a series of activities carried out by the parent organization to improve the knowledge and skills of MSME partners	1. Instructor
		2. Material or Content
		3. Method
		4. Objective
		5. Facilities (Elizar et al., 2018)
Mentoring	Respondents' perceptions regarding the systematic process of providing guidance, consultation, and practical support by facilitators with the aim of accelerating managerial capacity building, mastery of technical skills, and problem-solving business problem solving and improving business performance.	1. Frequency of Mentoring
		2. Mentoring Communication
		3. Quality of Mentoring Solutions
		4. Mentoring Involvement
		5. Mentoring Evaluation
Intrinsic Motivation	Intrinsic Motivation is an internal drive or impulse from within a person to perform a work activity because it is deemed valuable, interesting, or satisfying, rather than because of external rewards such as salary or awards. Deci & Ryan (1985), Theory: Self-Determination Theory	1. Interest and enjoyment
		2. Perception of self-achievement
		3. Effort and concern
		4. Personal values and benefits
		5. Autonomy in decision-making (Deci & Ryan 1985), (Gagne 2021)

MSME performance	MSME performance is the results of the MSME Mentoring Program's achievements over a specific period and respondents' perceptions regarding follow-up training in the form of ongoing technical implementation, application, and guidance.	1.	Increased sales
		2.	Profit/Gain
		3.	Number of consum
		(Ernarni, 2009)	
		4.	Production capacity
		5.	Marketing area
		(Opan, 2020)	

3.6 Data Analysis Techniques

Data analysis techniques are methods used to process the data obtained to draw conclusions based on the hypotheses developed. Hypothesis testing in this study used a Structural Equation Model (SEM) approach based on Partial Least Squares (PLS). PLS is a structural equation model (SEM) based on components or variance. One field of statistical study that can examine a series of relationships that are relatively difficult to measure simultaneously is the Structural Equation Model (SEM) (Natalia et al., 2017). According to Santoso (2014), SEM is a combination of regression analysis (correlation) with multivariate analysis techniques that aims to examine the relationships between variables in a model, both between indicators and their constructs, and the relationships between constructs.

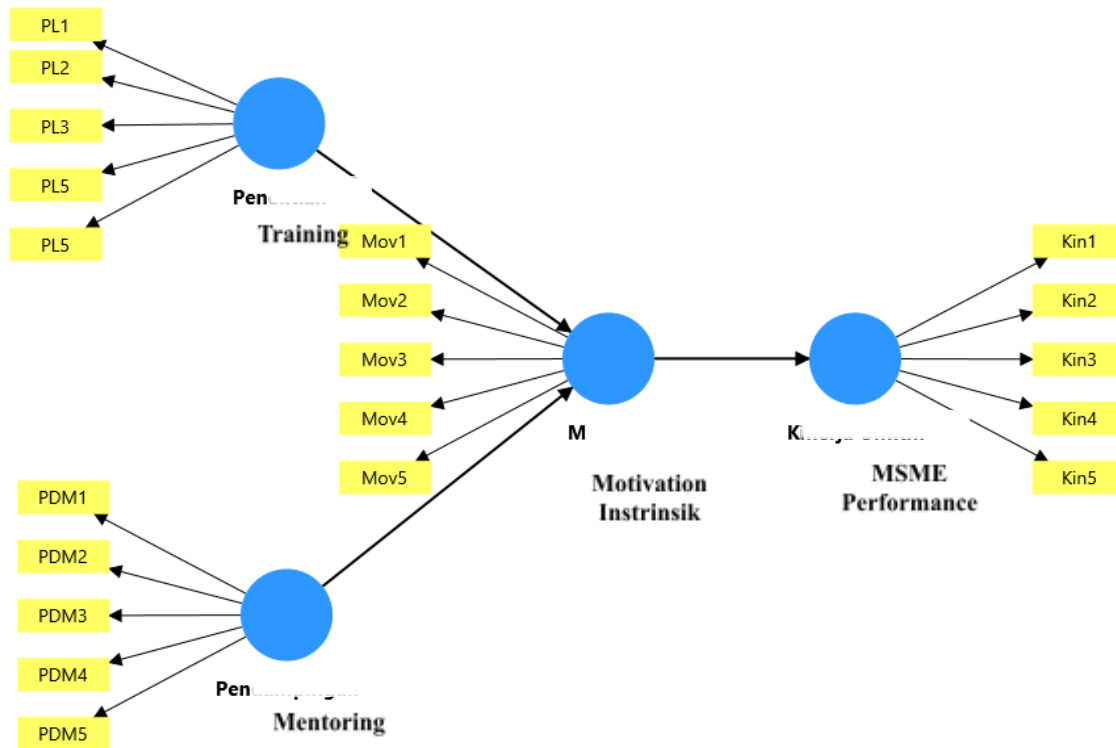
3.6.1. Descriptive Statistical Analysis

Descriptive statistics in this study aim to provide an overview of respondents' assumptions regarding the variables in the study. This overview includes maximum (max), minimum (min), average (average), and standard deviation (Ghozali, 2018).

3.6.2. Smart PLS Analysis

Data analysis in this study was conducted using SmartPLS version 4 software. The method used was Structural Equation Modeling (SEM). SEM is able to connect theory with data and offers a high degree of flexibility for research. Furthermore, it can perform path analysis with existing variables within a study. PLS is a fairly robust analysis method because it is not based on complex and repetitive assumptions, so the sample size does not need to be large to obtain good research results. The following is the structure of this research model in SmartPLS 4:

Figure 3.1 Research Model Structure



3.6.3. Measurement Model (Outer Model)

This model focuses on the relationship between latent variables and their indicators, or the outer model, meaning each indicator is related to its latent variable. Tests performed on the outer model include:

a. Instrument Testing

1) Validity Testing

According to Alfa et al. (2017), validity testing is used to measure the validity of a questionnaire. A questionnaire is able to reveal what it is intended to measure, thus ensuring that the data is valid.

a) Discriminant Validity Test

Discriminant validity testing of reflective indicators is conducted by comparing the values in the cross-loading table. If the indicator has the highest factor loading value for the intended construct compared to the factor loading values for other constructs, the indicator is declared valid.

b) Convergent Validity Test

The validity of reflective indicators is assessed by the correlation between indicator scores and concept scores. If an indicator within a construct experiences change, this is indicated by the measurement results of the reflective indicator. A correlation loading value of more than 0.7 is considered to have achieved convergent validity. The output factor loading shows a value above the recommended value of 0.7, indicating that the indicators used in this study have met convergent validity.

2) Reliability Test

A reliability test is a tool for measuring a questionnaire containing indicators of a variable or construct. If a person's answers to questions are consistent and stable over time, a questionnaire is considered reliable. Narimawati & Sarwono (2017) stated that a composite reliability value greater than 0.7 indicates good reliability for a latent variable.

3.6.4. Structural Model (Inner Model)

According to Natalia et al. (2017), this model focuses on the structure of latent variables. Each latent variable is assumed to have a linear and causal relationship. The inner model represents the latent variables interconnected in a structural model based on substantive theory.

a. Hypothesis Testing

In this study, hypothesis testing was conducted by examining the t-statistic and p-values. The t-value aims to determine the extent of the independent variable's partial influence on the dependent variable. If the calculated t-value is greater than 1.96 or the p-value is less than 0.05, the effect between the variables is considered significant.

1) Direct Effect

The direct effect between two latent variables is measured by the estimated value between the variables and occurs when there is an arrow connecting the two variables.

2) Indirect Effect

An indirect effect between two variables based on the path contained in the research model can occur when one variable influences the other through one of the latent variables. The influence of the independent variable on the dependent variable is measured through a mediating variable with a t-statistic value $> t\text{-table}$ and a significance value $< \alpha$ level of 0.05.

b. Model F (Goodness of Fit) Test

1) Coefficient of Determination (R²) Test

The coefficient of determination (R²) measures the magnitude of the influence of the independent variable in explaining the dependent variable, with a value ranging from 0 to 1. A small R² value indicates a very weak influence of the independent variable on the dependent variable. The independent variable provides almost all the information needed to be used and predicted for the dependent variable and is expressed with a value close to one (Ghozali, 2018).

2) Effect Size Test f²

The influence of exogenous latent variables on endogenous variables is assessed using changes in the R² value. According to (Ghozali, 2018), the Effect Size f² is measured if it has a substantive influence. When exogenous variables are included or excluded from the model, the values obtained for the latent variables include R² included and R² excluded, which are the R² values for the endogenous latent variables. The interpretation of the f² value is the same as that recommended by Cohen (1998), namely 0.02, which indicates a small influence; A value of 0.15 has a moderate influence, and a value of 0.35 has a large influence at the structural level (Ghozali, 2018).

3) Stone-Geisser Q² Test

The observed values generated by the PLS model and its parameter estimates are evaluated by examining the Q² predictive relevance. A Q² value less than 0 indicates the model has no predictive relevance, and a value greater than 0 indicates the model has predictive relevance (Ghozali, 2018).

Where:

D = Omission distance

E = The sum of squares of prediction error

O = The sum of square errors using the mean for prediction

A Q² value > 0 indicates the model has predictive relevance, while a Q² value < 0 indicates the model has low predictive relevance.

4. RESULTS

4.1. Respondent Description

The respondent description provides a statistical overview of the respondents' conditions and provides brief information about the respondents studied. The questionnaire distribution resulted in 80 MSMEs under the auspices of the Baitulmaal Muamalat program division, which were completely completed and could be processed. The respondent description, in this case, can be presented according to their characteristics, as shown in Table 4.1.

Table 4.1. Respondent Description

Total Sample n=80			
No	Characteristics		
	Gender	Number (People)	Percentage (%)
1	Men	18	22,50
	Women	62	77,50
2	Turnover		
	<500.000	0	0
	500.000-1.000.000	13	16,25
	1.000.000-3.000.000	19	23,75
	3.000.000-5.000.000	15	18,75
	5.000.000-10.0000	15	18,75
	>10.000.000	18	22,5
3	Age (Years)		
	< 17	0	0
	18-30	20	25
	31-40	36	45
	>40	24	30
4	Education		
	Elementary School	12	15
	Middle School	16	20
	High School	40	50
	Bachelor	12	15
5	Product Type		
	Food	38	47,5
	Beverages	8	10
	Non-Food/Beverages	34	42,5
6	Marketing System		
	Retail	60	75
	Non Retail	20	25
7	Marketing Area		
	Regency	58	72,5
	Province	10	12,5
	National	12	15
	Overseas	0	0

Source: processed primary data, 2025

Based on table 4.1, there are several important aspects that can be observed. In terms of gender, the majority of respondents were women, amounting to 62 people or 77.50%, while male respondents were only 18 people or 22.50%. This shows that female MSME entrepreneurs are more dominant than male. According to Hawik (2016) in various sectors, women play an important role because women have the character of being diligent, hardworking, tough, and responsible. The turnover of MSME entrepreneurs is dominated by the range of Rp1,000,000 - Rp3,000,000 by 23.75%, but 22.5% of their turnover is more than Rp10,000,000 per month, meaning that MSME businesses are quite promising because they are almost the same as or even exceed the regional minimum wage limit. The majority of respondents (36 respondents, or 45%) were between 31 and 40 years old, indicating that MSMEs are predominantly of productive age, thus possessing the skills to successfully develop their businesses.

In terms of education level, 40 employees, or 50%, had a high school diploma or equivalent. This number was followed by 16 junior high school graduates (20%), followed by elementary school graduates and bachelor's degrees (12 each). This educational distribution indicates that half of MSMEs have a high school education, while the remainder have a higher education or a bachelor's degree, with a lower education than a high school education. This suggests that high school graduates prefer entrepreneurship over bachelor's degrees. The products produced by MSMEs are dominated by food products (38 respondents, or 47.5%), beverages (10%), and non-food/beverage products (42.5%), including crafts, fashion, and services. This indicates that consumer interest in food products remains at the top of the list, almost equal to that of non-food and beverage products, such as handicrafts. In terms of marketing, 60 MSMEs, or 75%, out of a total sample of 80, sell products directly to consumers through retail channels, while the remaining 25% sell through non-retail channels. This impacts their turnover, which has not yet significantly increased, and their marketing area is still relatively small. Based on the marketing area, the largest share is in the district (72.5%), followed by the province (12.5%), and the national (15%). However, none of them are capable of exporting internationally due to limited knowledge of export procedures.

4.2. Descriptive Variable Analysis

4.2.1 Descriptive Statistics of Training Variables

This study successfully obtained data from 80 respondents who answered the questionnaire completely, allowing for further analysis. The training level of MSMEs represented by the Baitulmaal Muamalat program division was high, with a mean score of 4.63, indicating that the majority of MSMEs tended to be fully aware of the training situation. The descriptive indicator with the highest mean score was training methods and facilities, indicating respondents were interested in the training methods and facilities at that time.

Furthermore, the instructor indicator, with the lowest mean score, was the statement that the instructor provided easy-to-understand explanations to respondents. Respondents still responded favorably because, overall, the mean score for this instructor indicator was still high, indicating that business owners were able to understand what the instructor was conveying. The training material and objectives indicator, although lower than the other indicators, was categorized as high because the training material and objectives were still in line with audience expectations and tailored to the conditions of each MSME.

4.2.2. Descriptive Statistics of Mentoring Variables

The mentoring indicators proposed as statements to MSME entrepreneurs have a high mean value, with an overall average value of 4.59, indicating that mentoring

participants actively participate in the mentoring program. Based on the data, the most prominent aspects of mentoring are the number of mentoring meetings and open communication between mentors and MSME entrepreneurs, which are quite good, with the same mean value of 4.63. This indicates that these two indicators are able to encourage MSME entrepreneurs to attend and participate effectively in the mentoring program. Good communication between mentors and mentoring participants, namely MSME entrepreneurs, enables the mentoring process to run smoothly.

On the other hand, MSME entrepreneurs inevitably face challenges in the workplace and require solutions. Based on observations, the lowest mean value of 4.52 is for the mentoring solution quality indicator. This indicates that the solutions offered are still applicable to some MSME entrepreneurs, but they are not yet applicable to others. Further analysis is needed to identify appropriate solutions.

4.2.3 Descriptive Statistics of Intrinsic Motivation Variables

MSME entrepreneurs have high intrinsic motivation, with an overall mean score of 4.59, indicating that entrepreneurs are motivated to perform well for reasons stemming from their own inner drives, such as enjoyment at work, self-confidence, hard work, personal development, and freedom to make work-related decisions. The question related to the motivation to enjoy work and strive for it had the highest mean score of 4.63, indicating that many MSME entrepreneurs feel happy and strive for it.

The lowest mean score among the other intrinsic motivation indicators, with a score of 4.50, is for the indicator "I feel free to decide how I complete this work." This indicator has the lowest score because respondents still have to follow applicable regulations, thus slightly reducing their motivation to freely make decisions in their work. However, the overall intrinsic motivation score is very good, indicating that this intrinsic motivation contributes to strengthening MSME entrepreneurs' performance in achieving optimal performance and demonstrating entrepreneurs' desire to develop and have more control over their work, which has a positive impact on the sustainability of their businesses.

4.2.4 Descriptive Statistics of MSME Performance Variables

The performance of MSMEs is high, with an overall mean score of 4.62, indicating that MSMEs are able to achieve their expected performance targets. The statement regarding increased production capacity after participating in training and mentoring programs received the highest mean score of 4.65, indicating that this aspect is a key strength for MSMEs in supporting their performance.

Furthermore, respondents also demonstrated a strong ability to meet work targets, particularly in terms of increasing product quantity, customer base, and marketing area, with a relatively high mean score of 4.60. This indicates that while respondents can complete their work tasks effectively, overly high targets can also make them difficult for MSMEs. Overall, the mean score for MSME performance is very good, illustrating that MSMEs focus not only on productivity but also on efficiency and accuracy, high professionalism, and significant contributions to company goals.

4.3. Analysis Results

4.3.1 Outer Loading Results

Table 4. 2 Outer Loading Results

	MSME Performance	Intrinsic Motivation	Training	Coaching
Kin1	0,891			
Kin 4	0,784			
Mov 2		0,871		
Mov 3		0,792		
PL 3			0,825	
PL 4			0,755	
PDM 1				0,738
PDM 3				0,822

Source: SmartPLS

Based on Table 4.2 above, after analyzing the indicator values above 0.7, only 8 of the 20 designed indicators had outer loadings. Therefore, only 8 variable items passed the outer loadings test.

4.3.2 Cross-Loading Results

Table 4.3 Cross-Loading Results

	MSME Performance	Intrinsic Motivation	Training	Coaching
Kin1	0,891	0,432	0,521	0,501
Kin 4	0,784	0,378	0,401	0,272
Mov 2	0,437	0,871	0,381	0,206
Mov 3	0,365	0,792	0,281	0,205
PL 3	0,537	0,249	0,825	0,462
PL 4	0,328	0,400	0,755	0,222
PDM 1	0,304	0,247	0,344	0,738
PDM 3	0,435	0,146	0,350	0,822

Source: SmartPLS

The cross-loading results from the SmartPLS analysis indicate that the eight indicators have good discriminant validity, as evidenced by the highest correlation between the latent variables they measure compared to other latent variables.

4.3.3 Validity Results

Table 4.4 Discriminant Validity Results

Variabels	MSME Performance	Intrinsic Motivation	Training	Coaching
MSME Performance	0,839			
Intrinsic Motivation	0,484	0,833		
Training	0,556	0,403	0,790	
Coaching	0,479	0,246	0,443	0,78

Source: SmartPLS

Table 4.5 Convergent Validity Results

Variabels	Indicator	Outer Loadings	Ave >0,5
MSME Performance	Kin1	0,891	0,704

	Kin4	0,784	
Training	PL3	0,825	0,625
	PL4	0,755	
Intrinsic Motivation	Mov2	0,871	0,639
	Mov3	0,792	
Coaching	PDM1	0,738	0,610
	PDM3	0,822	

Source: SmartPLS

Tables 4.4 and 4.5 show convergent and discriminant validity. If the outer loading value is >0.70 and the AVE value is >0.50 , the model is considered perfect. This indicates that the indicators used to measure the construct are reliable. The results of the outer loading and AVE show that each indicator of each variable has an outer loading value >0.70 and an AVE value >0.50 . Therefore, it can be declared valid, meaning that the eight indicators measured are close to the truth or accurate in their application to MSMEs.

4.3.4 Reliability Results

Table 4.6 Reliability Results

Variabels	Composit Reliability	Critical Value	Informatic
MSME Performance	0,826	$> 0,7$	Reliabel
Intrinsic Motivation	0,819	$> 0,7$	Reliabel
Training	0,769	$> 0,7$	Reliabel
Coaching	0,757	$> 0,7$	Reliabel

Source: SmartPLS

Table 4.6 shows that all variables produced Composite Reliability >0.7 in this study, so it is reliable and the data can be concluded that the data has passed the reliability test, so the data can be continued to the next analysis.

4.3.5 Goodness of Fit (GoF) Results

To assess the suitability and feasibility of a research model, the Goodness of Fit (GoF) value is measured. The criteria for interpreting a GoF value are: if a value of 0.10 indicates a low level of fit (low GoF), a value of 0.25 indicates a moderate level of fit (moderate GoF), and a value of 0.36 indicates a high level of fit (high GoF). The GoF results in this study are as follows:

Table 4.7 Average AVE and Average R2 Value

Variabels	Average Variance Extracted (AVE) values	R ²
MSME Performance	0.704	0.446
Intrinsic Motivation	0.693	0.168
Training	0,625	

Coaching	0.610	
Average	0.658	0.307

Source: SmartPLS

$$GoF = \sqrt{AVE \times R^2} = \sqrt{0,658 \times 0,307} = 0,450$$

Based on the calculations above, the GoF value generated by this research model is 0.450, indicating a high level of suitability between the inner and outer models. This is because the GoF value obtained exceeds 0.36, making it a high-suitability category.

4.3.6 Results of the Coefficient of Determination

The coefficient of determination (R^2) will present the results of the structural model test (inner model). The coefficient of determination, or R-square (R^2), ranges from 0 to 1 and is divided into three assessment criteria. First, an R^2 value between 0.75 and 1 is considered to indicate substantial or strong strength. Second, an R^2 value between 0.5 and 0.74 is considered moderate. Third, an R^2 value between 0.25 and 0.49 is considered weak. The following are the coefficient of determination values obtained from this study:

Table 4.8 R-Square Value Results

Variabels	R Square
MSME Performance	0,446
Intrinsic Motivation	0,168

Source: SmartPLS

Based on the results of the coefficient of determination (r-square) generated by the research constructs, the following results are obtained:

1. The contribution of the Training and Mentoring variable to the intrinsic motivation variable is 0.168, or 16.8%. The remaining 83.2% is influenced by variables outside the study.
2. The contribution of the training, mentoring, and intrinsic motivation variables to the MSME performance variable is 0.446, or 44.6%. The remaining 55.4% is influenced by variables outside the study.

4.3.7 F-Square Results

Table 4.9 F-Square Value Results

	MSME Perform ance	Training	Intrinsic Motivation	Coaching
MSME Performance				
Training	0,134		0,129	
Intrinsic Motivation	0,126			

Coaching	0,101	0,007
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Source: SmartPLS

The table above shows that:

1. The training variable has a moderate effect on MSME performance of 0.134.
2. The training variable has a moderate effect on intrinsic motivation of 0.129.
3. The intrinsic motivation variable has a moderate effect on MSME performance of 0.126.
4. The mentoring variable has a moderate effect on MSME performance of 0.101.
5. The mentoring variable has a moderate effect on intrinsic motivation of 0.007.

4.3.8 Predictive Relevance Results

Table 4.10 Predictive Relevance Results (Q2)	
Dependent Variable	Q Square
MSME Performance	0,446
Intrinsic Motivation	0,168

Source: SmartPLS

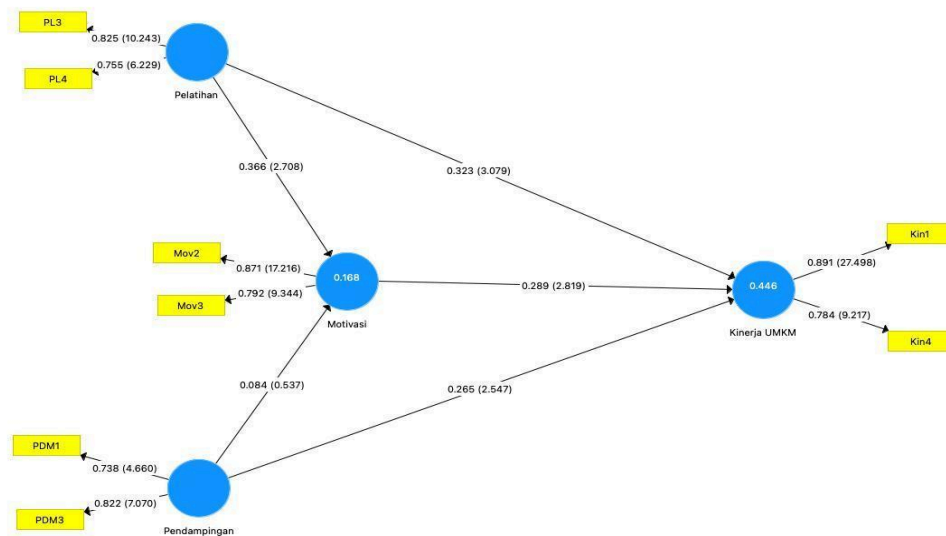
Based on the results of the predictive relevance value (q-square) produced by the research construct, it is 0.446 for the MSME performance variable and 0.168 for the intrinsic motivation variable, so that the value is greater than 0, so distributive justice towards MSME performance has predictive relevance.

4.3. Hypothesis Test Results

Table 4.11 Bootstrapping Calculation Results					
Code	Hypothesis	Original Sample	T statistics	P values	Conc
H1	Training-> MSME Performance	0,323	3,079 >1,96	0,005 <0,05	H1 Ac
H2	Mentoring-> MSME Performance	0,265	2.547 > 1,96	0,011 <0,05	H2 Ac
H3	Training-> Intrinsic Motivation	0,366	2,708 >1,96	0,007 <0,05	H3 di
H4	Mentoring-> Intrinsic Motivation	0,084	0,537< 1,96	0,591 >0,05	H4 d
H5	Intrinsic Motivation -> MSME Performance	0,289	2,819> 1,96	0,005 <0,05	H5 di
H6	Training-> Intrinsic Motivation -> MSME Performance	0,106	2,040> 1,96	0,041 <0,05	H6 di

H7	Mentoring-> Intrinsic Motivation -> MSME Performance	0,024	0,488> 1,96	0,625 >0,05	H7 d
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Figure 4.3 Bootstrapping Results



4.4 Discussion

4.4.1 The Effect of Training on MSME Performance

Based on the data processing results, it was found that training had a significant positive effect on the performance of MSMEs under the guidance of the Bank Baitulmaal Muamalat (BMM) program division. The statistical value was 3.079, with a t-statistic > 1.96, and a p-value of $0.005 < 0.05$. Training is a method used to convey more detailed information to an audience or listener regarding a specific topic, specifically tailored to the stated intent and objectives. By participating in various training programs, MSMEs will gain information and methods to improve their business sustainability and even increase turnover.

Meanwhile, MSME performance refers to the work results achieved by MSMEs in accordance with the standards set by the MSME. Good performance is characterized by efficiency, effectiveness, and high quality in carrying out tasks, as evidenced by improvements in every aspect of the MSME's performance, such as profit, turnover, and innovative ideas. High-performance MSMEs are able to achieve their goals productively, on time, and with satisfactory results. Training can contribute to improving MSME performance in conducting business activities and operations.

Research shows a significant positive relationship between training and the performance of MSMEs under the guidance of the Bank Baitulmaal Muamalat (BMM) program division. This indicates that the higher the level or amount of training provided by MSMEs, the better their daily performance. Consistent and ongoing training practices can help MSMEs improve their production capacity and capabilities, turnover, and business sustainability, ultimately contributing to improved MSME performance. Thus, training not only provides information but also encourages and inspires MSMEs to work more efficiently and effectively, achieving optimal product output and other aspects in line with their business objectives.

Training helps entrepreneurs better understand the factors that can hinder business sustainability. It also offers solutions and case studies from other companies, enabling them

to anticipate potential problems in their own businesses or at least conduct risk analysis in every decision-making process for business development. The relatively high mean training score (4.63) indicates that the trainers or instructors, training methods and materials, and training objectives and facilities are capable of supporting the performance of MSME entrepreneurs. The high performance of MSME entrepreneurs (4.62) is reflected in their ability to increase product quantity and production capacity, profits, customer base, and expand their marketing reach. Based on the results of this study, it can be concluded that there is a significant positive effect of training on the performance of MSMEs under the guidance of the Bank Baitulmaal Muamalat (BMM) program division.

The results of this study support the findings of Raja et.al (2011) namely that several forms of training such as training and development, on-the-job training, training design and delivery that have been carried out show a significant impact on organizational performance and the performance of each division, increasing employee efficiency, effectiveness and capability.

4.4.2 The Effect of Mentoring on MSME Performance

Based on the results of the research data processing, it was found that mentoring had a significant positive effect on the performance of MSMEs under the guidance of the Bank Baitulmaal Muamalat (BMM) program division. The statistical value was $2.547 > 1.96$, with a p-value of $0.011 < 0.05$. This indicates that the more frequent and intense the mentoring program, the better the MSME performance.

Mentoring is a continuation program of training; the difference is that mentoring is conducted more frequently and has more specific targets and objectives than training. The mentoring provided by the BMM program division takes the form of consultations and provides input on solutions to problems faced by MSMEs, resulting in positive results. This means that the solutions offered are able to address the problems, as evidenced by the improved performance of MSMEs. Furthermore, ongoing mentoring programs will shape the performance of MSMEs, making them more competitive and fostering optimism among entrepreneurs, ensuring their businesses remain viable. The numerous competitors, both domestic and international, require MSMEs to continuously innovate, evaluate, and improve their businesses through ongoing mentoring programs to compete with both domestic and international competitors.

The relatively high mean mentoring score (mean 4.59) indicates that mentoring, in the form of intensity, open communication regarding MSME business problems and solutions, the quality of solutions offered, participation from both parties, and evaluation and follow-up, supports MSME business performance. High MSME business performance is reflected in their ability to increase the number of products and production capacity, profits, the number of customers, and a wider marketing reach. Based on the results of this study, it can be concluded that there is a significant positive effect of mentoring on the performance of MSMEs under the guidance of the Bank Baitulmaal Muamalat (BMM) program division.

The results of this study support the findings of Rosinta et al. (2022) who reported that intensive mentoring activities conducted over two months in Mangir Kidul Hamlet, Bantul Regency, Yogyakarta Special Region, provided a new learning environment for students during the pandemic and improved their understanding of the subject matter.

4.4.3 Effect of Training on Intrinsic Motivation

Data processing revealed a significant positive effect of training on intrinsic motivation among entrepreneurs under the guidance of the Bank Baitulmaal Muamalat (BMM) program division. The statistical significance was 2.708, with a t-statistic value exceeding the calculated t-value, i.e., 2.708, 1.96, and a p-value of 0.007, < 0.05 .

The results of this study indicate a significant positive relationship between training and intrinsic motivation among entrepreneurs under the guidance of the Bank Baitulmaal Muamalat (BMM) program division. This finding suggests that the greater or more frequent training participation, the more likely it is to directly impact the internal drive or intrinsic motivation of entrepreneurs to perform better.

Training is a voluntary action or activity undertaken by MSME entrepreneurs outside of their daily operational management duties, aimed at supporting the smooth running and success of their businesses. While training is not a requirement stated in job descriptions, it has a positive impact on the overall success and sustainability of MSME businesses. For example, it can provide solutions and guidance to address issues such as declining product quality, declining turnover, and so on.

The relatively high mean value of training on intrinsic motivation (mean 4.59) indicates that training, in terms of materials, methods, and objectives, can provide entrepreneurs with a strong internal drive to continuously grow and improve. The high intrinsic motivation of MSME entrepreneurs (mean 4.63) is reflected in their increased self-confidence, their diligent work to achieve targets and better results, and their prioritization of developing their potential to advance their MSME businesses. Based on the results of this study, it can be concluded that there is a significant positive effect of training on intrinsic motivation under the guidance of the Bank Baitulmaal Muamalat (BMM) program division.

The results of this study support the findings of Akhmat (2024) that business motivation has a positive impact on the sales performance of HNI-HPAI members' products. Motivation, which is an urge or desire that arises from within without coercion, training attended by business actors provides additional skills and knowledge for business actors, thereby increasing their motivation. Intrinsic motivation for business owners to continue participating in training due to improved sales performance. This also supports the findings of Djaka (2018) that formal training has a positive and significant effect on teachers' intrinsic motivation. This is indicated by the better the formal training, the better their intrinsic motivation.

4.4.4 The Effect of Mentoring on Intrinsic Motivation

Based on the data processing results, it was found that there was no effect of mentoring on intrinsic motivation among employees under the guidance of the Bank Baitulmaal Muamalat (BMM) program division. The statistical value was $0.537 > 1.96$, with a p-value of $0.591 > 0.05$.

Based on the research results, it was found that there was no significant positive effect of mentoring on intrinsic motivation among employees under the guidance of the Bank Baitulmaal Muamalat (BMM) program division. This indicates that the intensity of mentoring does not directly impact the internal motivation of entrepreneurs to implement it in the workplace.

Mentoring refers to voluntary behavior undertaken by employees outside of their formal duties, aimed at supporting the sustainability and success of the company. Mentoring is not a mandatory requirement stated in job descriptions, but it has a positive impact on the overall work environment, including the performance of MSMEs. Examples include helping production teams increase production capacity, resulting in increased turnover, increased self-confidence, and enhanced company reputation.

Entrepreneurs who participate in mentoring programs tend to feel a sense of ownership and responsibility for their companies. This feeling creates an internal drive to work with their colleagues to advance the company due to increased intrinsic motivation. When entrepreneurs understand more about the scientific concepts needed to advance the company, they are more motivated to work hard and give their best, not just out of

obligation, but also out of a sense of responsibility and contribution to the company's goals. Employees who actively participate in mentoring programs typically experience higher levels of job satisfaction. They feel enthusiastic and confident because they possess sufficient knowledge and skills to overcome challenges at work. This triggers an internal drive to continuously improve, a hallmark of intrinsic motivation.

There was no significant relationship between mentoring and intrinsic motivation among MSME entrepreneurs under the guidance of the Baitulmaal Muamalat (BMM) program division. This indicates that while the mentoring program implemented by BMM has many benefits, it does not directly motivate entrepreneurs to develop intrinsic motivation in their work. This is because the mentoring program, which lasts for six months to a year, means entrepreneurs cannot directly experience its benefits, and the solutions offered may not necessarily be directly relevant to the problems faced by MSMEs.

4.4.5 The Influence of Intrinsic Motivation on MSME Performance

Based on the data processing results, it was found that intrinsic motivation has a significant positive effect on MSME performance among MSME entrepreneurs under the guidance of the Baitulmaal Muamalat (BMM) program division. The statistical value was 2.819, with a t-statistic > 1.96 , and a p-value of $0.005 < 0.05$.

Based on the research results, it was found that intrinsic motivation has a significant positive effect on MSME performance among MSME entrepreneurs under the guidance of the Baitulmaal Muamalat (BMM) program division. This means that the higher the intrinsic motivation of entrepreneurs, the better their performance in carrying out their work at MSMEs.

Intrinsic motivation is an internal drive that drives a person to perform an activity due to the pleasure, satisfaction, interest, or meaning derived from the work activity itself. Entrepreneurs with intrinsic motivation tend to enjoy their work and feel challenged to innovate and develop due to their positive self-perception of their abilities. They strive to give their best effort at work because they see personal value and satisfaction in their achievements, not solely because of external rewards such as salary, promotion, or recognition. This intrinsic motivation drives entrepreneurs to work diligently and diligently, overcome obstacles, and improve the quality of their performance, ultimately contributing to the improved performance of the MSME itself. Entrepreneurs with strong intrinsic motivation typically have a strong commitment to their work. They feel a personal responsibility to complete their tasks.

They work well and focus more on achieving quality than simply meeting targets. This strong commitment drives them to work harder, be more patient, and persevere in facing challenges. Intrinsically motivated entrepreneurs not only strive to achieve company goals but also feel satisfied with the process and results of their work, which makes them more resilient and continue to grow in their careers. This contributes to sustainable performance improvements, both individually and collectively, including in terms of the efficiency and effectiveness of work results and the quality of products produced. This creates a positive cycle in a job because entrepreneurs feel satisfied and proud of their results.

Based on descriptive data on the variables of Intrinsic Motivation and MSME Performance, there is a significant positive influence between intrinsic motivation and MSME performance. MSME entrepreneurs demonstrate a high level of intrinsic motivation, with an overall mean score of 4.59. This reflects that entrepreneurs are motivated to do their jobs well not only for the salary but also for satisfaction with their own abilities.

Based on the results of this study, it can be concluded that there is a significant positive influence between intrinsic motivation and the performance of MSMEs under the guidance of the Baitulmaal Muamalat program division. Entrepreneurs with high intrinsic

motivation tend to perform better because they work with dedication, passion, and focus. This intrinsic motivation drives them to innovate, demonstrate resilience in the face of challenges, and maintain high work quality.

These research findings support the findings of Gagné et al. (2018), who revealed that intrinsically motivated employees tend to perform better because they work with greater enthusiasm and dedication. This intrinsic motivation encourages employees to complete work with greater focus and quality because they derive direct satisfaction from the work they do. Another study supports the findings of Grant & Berry (2011), who found that intrinsic motivation increases creativity and productivity in the workplace. Intrinsically motivated entrepreneurs are more likely to take initiative, seek innovative ways to complete tasks, and be more proactive in facing challenges. This is due to the interest and sense of satisfaction they derive from the work itself. This study shows that entrepreneurs who work with intrinsic motivation produce better performance because they feel motivated to develop new ideas and improve the quality of their work.

4.4.6 The Effect of Training on MSME Performance with Intrinsic Motivation as a Mediating Variable

Based on the data processing results, it was found that there was a significant positive effect of training on MSME performance, with intrinsic motivation as a mediating variable, among MSME entrepreneurs under the guidance of the Baitulmaal Muamalat (BMM) program division. The statistical value was $2.040 > 1.96$, with a p-value of $0.041 < 0.05$.

The results of the study revealed a significant positive effect between training on MSME performance, with intrinsic motivation as a mediating variable. This finding indicates that entrepreneurs who participate in training programs tend to have better performance, and intrinsic motivation acts as a mediator, strengthening the relationship between training and MSME performance.

Entrepreneurs who actively participate in training programs will experience higher levels of self-confidence and satisfaction, as well as greater effort in their work to achieve optimal results. Personal satisfaction, self-confidence, pride, and success in their work reflect their emotional engagement with their work, which can strengthen intrinsic motivation, or the drive within entrepreneurs. This increased intrinsic motivation encourages entrepreneurs to work with greater enthusiasm and strive for better results. When entrepreneurs perceive that their results meet certain standards and meet consumer expectations, it has a positive impact on MSMEs, making them more motivated to continue providing their best. This ultimately leads to improved performance, supporting the achievement of MSME goals and overall turnover.

There is a significant positive relationship between research on MSME performance and intrinsic motivation as a mediating variable among MSME entrepreneurs under the guidance of Baitulmaal Muamalat (BMM). Entrepreneurs who demonstrated the highest training scores on intrinsic motivation (Original sample 0.366) and training on motivation Intrinsic motivation on MSME performance (Original sample 0.106) This shows that intrinsic motivation as a mediator of high training is able to encourage business actors to excel in work. So it can be concluded that training is able to strengthen intrinsic motivation, which in turn improves MSME performance, both individually and in teams and there is a significant positive influence between training on the performance of MSMEs fostered by BMM with intrinsic motivation acting as a mediating variable, companies should encourage training programs to be consistently followed during the predetermined schedule so as to support the increase in intrinsic motivation of business actors, to achieve optimal performance in terms of product optimization and turnover as well as the welfare of business actors and their employees.

4.3.7 The Effect of Mentoring on MSME Performance with Intrinsic Motivation as a Mediating Variable

Based on the data processing results, it was found that there was no effect of mentoring on MSME performance with intrinsic motivation as a mediating variable for MSME entrepreneurs under the guidance of the Baitulmaal Muamalat (BMM) program division. The statistical value was $0.488 > 1.96$, with a p-value of $0.625 > 0.05$.

The research results revealed no significant effect between mentoring on MSME performance and intrinsic motivation as a mediating variable under the guidance of the Baitulmaal Muamalat (BMM) program division. This indicates that while mentoring can influence aspects of MSME performance, in the context of this study, mentoring does not have a significant direct impact on MSME performance through intrinsic motivation.

The relationship between mentoring and intrinsic motivation was previously explained, but it did not have a significant impact. This suggests that other variables may strengthen this relationship, making it significant. Furthermore, when categorized by mentorship, the characteristics of MSME entrepreneurs participating in the empowerment program need to be re-mapped to significantly enhance the mentoring process through intrinsic motivation as a mediating variable. This research suggests that intrinsic motivation appears to be a moderating rather than a mediating variable.

Mentoring has varying impacts on the observed sample of MSME entrepreneurs. Based on the respondent profile description, 65% of respondents had a high school education and already possessed some knowledge of topics or materials that could contribute to MSME business growth. Meanwhile, 35% of respondents with lower secondary education backgrounds were very enthusiastic about participating in the mentoring program, but it took longer than the stipulated time contract, which was around 6 months - 1 year to see the results of the implementation of the mentoring have a real impact on improving MSME performance so that it is not immediately visible such as increased turnover, increased marketing area and profit, this is because the problems faced by each MSME business actor are different and need to be tested directly for each solution offered whether it is successful or not. However, the mentoring program carried out by BMM based on research results has a direct impact on MSME performance, statistically proven that the t-statistic value $> t$ count of $2.547 > 1.96$, but for the impact of mentoring on intrinsic motivation on MSME performance, it did not have a significant impact with a t-statistic value $< t$ count of $0.488 < 1.96$ and a positive original sample of 0.024 which means it has an effect but is not very significant. This is evident from the 80 samples observed, where only approximately 33.75% continued to supply their products and there was regular, intensive communication with BMM sales centers, such as the Tegal Waru BMM center. Therefore, it is crucial for BMM organizations to accurately analyze the problems and solutions provided during mentoring so that the mentoring program can be optimally experienced by business owners.

The results of this study indicate that there is no significant effect between mentoring on employee performance and intrinsic motivation as a mediating variable among MSME entrepreneurs assisted by Baitulmaal Muamalat (BMM). This suggests that although mentoring has the potential to improve MSME performance, as stated in Hypothesis 3 (accepted), that mentoring significantly impacts MSME performance, intrinsic motivation is not significant enough in the context of this mentoring program. Therefore, management needs to evaluate other approaches, including mapping recipients of the "Sahabat UMKM Indonesia" program during the selection of empowerment program participants, including their psychological well-being, in this case MSME entrepreneurs, who more directly contribute to improving MSME performance, while also being able to us

supports the development of psychological factors that underlie the intrinsic motivation of business actors and the performance of MSMEs.

5. CONCLUSION AND SUGGESTION

5.1 Conclusions

Based on the research results on the Analysis of the Effectiveness of the Baitulmaal Muamalat "Friends of Indonesian MSMEs" Empowerment Program on the Existence of MSME Performance, with Intrinsic Motivation as a Mediating Variable, the following conclusions are drawn:

1. Training has a significant impact on MSME performance. This indicates that the better the training objectives and methods, the more appropriate the instructors, facilities, and materials are to the MSME's problems, the better the MSME's performance in their daily work. Consistently implemented training practices can help MSMEs improve their performance in areas such as profit, product quantity, production capacity, and sustainable marketing, ultimately contributing to improved business performance.
2. Mentoring has a significant impact on MSME performance. Mentoring is a continuation of training, implemented more frequently and in a more structured manner. Therefore, this mentoring program is designed to provide solutions for MSMEs and has a significant impact on MSME performance. Businesses participating in the mentoring program are able to improve their MSME performance.
3. Training has a significant impact on intrinsic motivation. This indicates that entrepreneurs who participate in intensive training tend to demonstrate greater initiative in completing their work based on the new knowledge they gain, even exceeding existing expectations. They not only work to fulfill obligations or meet established standards, but also have an internal drive to contribute more to MSMEs, a condition that reflects intrinsic motivation.
4. Mentoring has no significant impact on intrinsic motivation. This indicates that the intensity of mentoring does not directly impact the intrinsic motivation of MSME entrepreneurs. The mentoring program provided by BMM is temporary, so it takes longer for entrepreneurs to feel the direct impact of their intrinsic motivation.
5. Intrinsic motivation has a significant impact on MSME performance. MSME entrepreneurs who are motivated by internal drives for work achievement, interest in their work, a desire to excel, problem-solving, and increasing turnover and performance capacity tend to demonstrate better performance. Intrinsic motivation also strengthens MSME entrepreneurs' dedication to achieving optimal work results.
6. Intrinsic motivation acts as an important mediating variable between training and MSME performance. This means that training can increase intrinsic motivation, which in turn improves MSME performance. MSME entrepreneurs driven by internal motivation are more likely to be enthusiastic about participating in training, which can strengthen their contribution to achieving MSME goals. However, intrinsic motivation does not have a significant impact on the relationship between mentoring and MSME performance. Mentoring programs for entrepreneurs with different educational backgrounds, regarding their ability to apply and understand the material, their application in the field, and the solutions offered, are also not guaranteed to be successful and require more time than the designated mentoring duration. This makes intrinsic motivation unable to act as an effective mediator in improving MSME performance.

5.2 Recommendations

This study has several limitations that warrant further consideration. First, the study used a quantitative analysis approach, based on survey data from respondents' perceptions. This may lead to biased interpretations of the questions posed by respondents due to varying backgrounds and knowledge. Second, this study did not delve deeply into other,

more influential indicators or those with stronger statistical and field-based relationships, which may influence the relationship between training, mentoring, intrinsic motivation, and MSME performance.

Based on the limitations of this study, which involved organizations from different branches to test the generalizability of the research results, future research should use a mixed-methods approach to gain more holistic insights or answers between the observed variables, combining quantitative data with in-depth interviews. Future research could utilize intrinsic motivation as a mediator between training, mentoring, and MSME performance, as mentoring did not directly impact intrinsic motivation in this study. Therefore, future research is expected to broaden theoretical insights and provide more detailed practical guidance for organizations.

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