THE EFFECT OF THE BANK INDONESIA DEVELOPMENT PROGRAM ON THE DEVELOPMENT OF AGRIBUSINESS MSMEs

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ABSTRACT

Background: Business digitization skills are important for business actors to have, especially in the digital era. Therefore, it is important to improve their skills in building a better economy. The Bank Indonesia development program is one solution to accelerate the digitalization of MSMEs in Indonesia. Previous research on MSME development programs rarely focuses on the agribusiness sector.

Purpose: This research examines how Bank Indonesia's training and mentoring for MSMEs impacts the development of agribusiness MSMEs.

Design/methodology/approach: Data was collected by distributing questionnaires with a total of 50 respondents. Primary data was processed using Structural Equation Modeling-Partial Least Square (SEM-PLS) with the competency variable as an intervening variable.

Findings/Result: The research results show that training and mentoring significantly affect the development of agribusiness MSMEs. Training and mentoring also indirectly affect the development of agribusiness MSMEs through competency as an intervening variable.

Conclusion: agribusiness MSME actors who participate in training and mentoring must have competence in attitudes, knowledge, and skills. Furthermore, the more competent agribusiness MSMEs are, the better the development of agribusiness MSMEs will be, namely increasing income, strengthening competitiveness, and expanding market reach.

Originality/value (State of the art): training and mentoring for Agribusiness MSMEs are factors that influence the development of Agribusiness MSMEs.

Keywords: MSMEs, development programs, agribusiness, training and mentoring, business digitization

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INTRODUCTION

MSMEs in Indonesia reached 64,023,435 units (Central Bureau of Statistics, 2020). Based on data from the Ministry of Cooperatives and Small and Medium Enterprises, MSMEs can accommodate 96.9% of the workforce (Ministry of Cooperatives and SMEs, 2023) and contribute to Gross Domestic Product (GDP) of IDR8,400 trillion from the total GDP of IDR14,000 trillion in 2018 and 2019 (Central Bureau of Statistics, 2020). Meanwhile, the agribusiness sector, with 3.9 million food and beverage business units in Indonesia, experienced an increase in GDP contribution from 2020 to 2021 by 2.54% to IDR775.1 trillion (Central Bureau of Statistics, 2021). MSMEs are businesses that are very influential in improving the economy in various fields (Primasari, Herwiyanti, and Widianingsih, 2022). However, MSMEs have various problems, especially in the digital era. Lack of skills among business actors in marketing through e-commerce and social media. Data from the Indonesian E-commerce Association (idEA) as of May 2021 states that only around 13.7 million, or 21% of MSMEs, have tried to blend in with digital. MSMEs that need to digitize their businesses will find it difficult to compete. Business actors need to utilize today's technological sophistication optimally.

Several previous studies Masruroh (2022) focused on research analyzing the production scale of MSMEs before and after being assisted by KPw Bank Indonesia Jember. According to Habibullah et al. (2020) conducting research on the influence of the competence of MSME actors, entrepreneurial concepts, and knowledge on the performance of MSMEs, Ramadhan (2021) conducting research that focuses on the impact of implementing the Bank Indonesia mentoring program on the development of Coffee MSMEs; Hairana (2020) conducted research on the agribusiness competencies of MSME actors, Tiara (2022) conducted research that focused on the effectiveness of entrepreneurship development programs, Nurpalah (2023) and Marjukah (2022) focused on business training and mentoring. Meanwhile, this research discusses more specifically, MSME objects in the agribusiness sector that receive development programs in the form of training and coaching from Bank Indonesia. The coaching program being measured is a coaching program that focuses on digitalizing MSMEs. In addition, this research uses competency theory to measure the influence of the coaching program on the development of agribusiness MSMEs. This research measures the development of agribusiness MSMEs based on income, competitiveness, and market reach.

The BIBI program consists of training and mentoring. Training is a short-term educational process that uses systematic and organized procedures to learn knowledge and skills for limited purposes. Mangkunegara (2004) mentions several training components, namely: training goals and objectives must be clear and measurable, trainers must be experts with adequate qualifications, training materials must be adapted to the objectives to be achieved, training and development methods must be adapted to the participant's level of ability, participants must fulfill specified requirements.

Accompaniment, according to Suharto (2005) is to help individual communities or groups discover the abilities that exist within themselves so that they have the skills to develop those abilities. Mentoring is a tool or strategy that determines the success of community empowerment programs. Edi Suharto explained that mentoring indicators focus on four tasks or functions: facilitation, strengthening, protection, and support.

The competency of MSME actors can increase or decrease due to external factors. According to Spencer & Spencer (1993), competence is a primary characteristic of an individual that is causally related to criterion-referenced effectiveness and/or very high performance in a job or situation. Attitude, knowledge, and skill competencies can be analogous to the theory of Iceberg. Competencies that appear on the surface by Spencer & Spencer (1993) consist of knowledge and skills. Knowledge and skills are two elements of competence that appear above the surface of seawater and can melt or expand at any time according to the level of degradation of these elements. Knowledge and skills are elementary to observe or measure by using appropriate measuring tools for these two things. Knowledge and skills are the elements of competence most prone to change. Continuous empowerment or development of these two elements is vital to maintaining knowledge and skills capabilities. Meanwhile, attitude is an invisible competence element because it is below the water's surface and difficult to observe or measure. Attitude is an element that depends on the tendency of which position will be taken, whether in a positive or negative direction. If you are already in one of the specified positions, that position will become latent or cannot change over a long period.

Agribusiness MSMEs are businesses in the agribusiness sector that procure agricultural production facilities, livestock businesses, post-harvest businesses, sorting, storing, and packaging agricultural products, industrial, agricultural product processing businesses, and various businesses delivering agricultural products to consumers and managing by someone or owned by a small group of people with a certain amount of wealth and income (Krisnamurthi, 2020).

The Bank Indonesia Business Incubator (BIBI) Program is a solution the West Kalimantan Province Bank Indonesia Representative Office provides to overcome this problem. BIBI is an annual program, a form of genuine support from the Bank of Indonesia, to increase the competence of MSME players in business digitalization so that MSMEs can grow and develop sustainably. According to Spencer & Spencer (1993), competence is defined as a person's characteristics that relate to the effectiveness of individual performance in the workplace or specific situations. Spencer's competency theory can be analogous to the Iceberg concept, which can provide a broad perspective on competency, not only the visible aspects (skills and knowledge) but also more profound and hidden aspects (attitudes).

BIBI participants will be given training and assistance by the Bank of Indonesia to increase participant competency through facilitation and providing support and convenience for developing production and distribution networks through information technology. However, efforts to develop MSMEs still encounter various challenges, especially in agribusiness MSMEs, which are very competitive and dynamic, such as marketing challenges, technology adoption, production, and distribution. So, a better innovative development strategy is needed to overcome this. BIBI participants will be given training and mentoring by BI with the aim of increasing participant competency, especially in digitalization. However, efforts to develop MSMEs still discuss many challenges, especially in agribusiness MSMEs which are very competitive and dynamic, such as marketing challenges, technology implementation, and distribution. Indonesia's economy in the agribusiness sector needs to be improved because it has a very large opportunity, especially in the downstreaming of agricultural products which is still less than optimal. This agricultural downstreaming includes the processing of agricultural products, marketing and transportation of agricultural products.

Therefore, it is important to develop a program that supports agribusiness MSME in Indonesia, one of which is BIBI. Therefore, a study entitled "The Influence of Bank Indonesia's Mentoring Program on the Development of Agribusiness MSMEs" needs to be conducted.

This research will measure the development of agribusiness MSMEs using indicators of increasing income, competitiveness, and market reach. It is tailored to BIBI's goal of making MSMEs competitive, increasing digitalization competence, and expanding market reach. Revenue is asset income from product deliveries made during a specific period (Sochib, 2018). Income growth can be influenced by one of them, namely capital. Competitiveness is the ability or toughness to compete to win consumer attention and loyalty. A business can be successful if it is competitive in the ability to collaborate optimally with related institutions, namely financial institutions, raw material providers, marketing intermediaries, and promotional and information media (Henry, 2007). One of the dimensions of competitiveness in the Diamond Porter model is that a company will be more competitive if it can collaborate well with other companies, such as material providers, intermediaries, promotional media, Etc (Cho and Moon, 2003). Establish collaboration with other entrepreneurs, government, or other private institutions. This collaboration is intended to obtain loan facilities, use of equipment, marketing or distribution, Etc. Market reach is a specific area related to the market share of the company's products (Novita and Riza, 2018). In other words, the definition of business market reach is related to the size of the target market share sales of a company's products or services.

METHODS

The determination of the area or research location was carried out purposely, namely in West Kalimantan Province. This is due to the consideration that the Bank Indonesia West Kalimantan Representative Office has already carried out a coaching program, namely INKUBBI, for MSMEs from all districts and cities in West Kalimantan (Secondary Data Kpw Bank Indonesia West Kalimantan, 2023).

In this research, primary data was taken from observations, interviews, and filling out questionnaires by agribusiness MSMEs in West Kalimantan who

participated in the INKUBBI program. Apart from that, secondary data from the Bank Indonesia Representative Office for West Kalimantan Province was also used in this research. This study uses a quantitative approach.

Data collection was carried out by distributing questionnaires accompanied by interviews and observations to agribusiness MSME actors who participated in the Bank Indonesia Business Incubator Program. In determining the number of samples, researchers are advised to use Cohen (1992) approach which considers statistical power and effect size. From this approach, the minimum number of samples to be used in this study can be determined based on the research model developed. The largest number of arrows that hit a construct in the research model is 3, researchers expect a significance of 0.05 and a minimum R Square of 0.5, so the minimum sample size needed is 38 samples. The population of this research is 50 agribusiness MSMEs participating in the Bank Indonesia development program, all of which are the research sample.

The results of respondents' answers were processed using the SEM-PLS statistical method. The data in this study were analyzed using SEM-PLS with the SmartPLS 4.0 application. The research stages carried out were, 1) evaluation of the measurement model (Outer Model); and 2) evaluation of the structural model (Inner Model). Based on research phenomena, previous research, and empirical studies, the conceptual framework of this research can be displayed in the following chart.

Figure 1 illustrates the research framework, consisting of Training and Mentoring as independent variables. The training variable is obtained from the training theory by Mangkunegara (2004). The mentoring variable is obtained from the mentoring theory by Suharto (2005). These independent variables affect Competence (Spencer and Spencer 1993), which functions as an intervening variable that affects the dependent variable, Agribusiness UMKM Development. Based on the theoretical review and research framework, the research hypothesis is created and developed as follows:

H1: Training affects the development of Agribusiness MSMEs

H2: Training affects competence

H3: Mentoring affects the development of Agribusiness MSMEs

H4: Mentoring affects competence

H5: Competence affects the development of Agribusiness MSMEs

H6: Training affects the development of Agribusiness MSMEs through competency

H7: Mentoring affects the development of Agribusiness MSMEs through competency

RESULTS

The majority of respondents were female (72%). Most of them came from Pontianak City (70%), Kubu Raya Regency (8%), Sanggau Regency (6%), Sekadau Regency (4%), Sambas Regency (4%), North Kayong Regency (2%), Ketapang Regency (2%), Sintang Regency (2%), and Singkawang City (2%). They are agricultural food entrepreneurs (50%), agricultural beverage entrepreneurs (28%), herbal medicine entrepreneurs (14%), and spice entrepreneurs (8%). Their business scale is micro business (62%) and small business (38%). They participated in BIBI the most in 2022 (32%), 2018 (4%), 2019 (2%), 2020 (8%), 2021 (28%), and 2023 (26%).
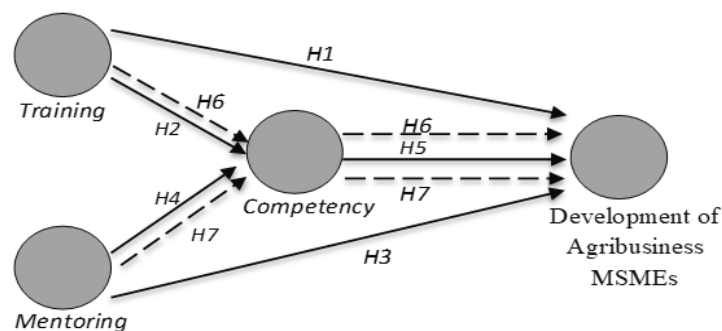

Figure 1. Theoretical framework

Based on Table 1, this study uses independent variables, namely training (X_1) and mentoring (X_2) and dependent variables, namely the development of Agribusiness MSMEs (Y) and intervening variables, namely competence (Z). Based on Table 2, PLS-SEM data processing produces two estimates: the outer and inner models (Hair, Risher, and Ringle 2019). The validity and reliability of the instrument were evaluated using a research model. The loading factor value of each indicator exceeds 0.7, and the Average Variance Extracted (AVE) value exceeds 0.5; as a result, convergent validity is excellent. Composite Reliability (CR) and Cronbach's Alpha (CA) values are used in reliability testing. Based on the test results, each variable has a CR and CA value greater than 0.7, which shows that these indicators have a high level of consistency. The discriminant validity test shows that the correlation between constructs is less than 0.9, which means all variables meet the requirements.

Table 1. Variable and Indicator

Variable	Indicator	Reference
Training	Training goals	(Mangkunegara, 2004)
	Trainers	
	Participants	
	Materials	
	Methods	
Mentoring	Facilitation	(Suharto, 2005)
	Strengthening	
	Protection	
	Support	
Competency	Knowledge	(Spencer and Spencer, 1993)
	Skill	
	Attitude	
Development of Agribusiness MSMEs	Income	(Sochib, 2018)
	Competitiveness	(Cho and Moon, 2003; Henry, 2007)
	Market reach	(Novita and Riza, 2018)

Table 2. Convergent validity and internal consistency

Variable	Items	LF	Variable	Items	LF	Variable	Items	LF
Training (X1)	X 1.1.1	0.85		X 2.1.5	0.808	CA = 0.959	Z 1.1.3	0.791
CR = 0.959	X 1.1.2	0.819		X 2.1.6	0.767	AVE = 0.591	Z 1.1.4	0.772
CA = 0.959	X 1.1.3	0.827		X 2.2.1	0.804		Z 1.1.5	0.738
AVE = 0.651	X 1.2.1	0.815		X 2.2.2	0.798		Z 1.1.6	0.716
	X 1.2.2	0.814		X 2.2.3	0.873		Z 1.1.7	0.709
	X 1.2.3	0.769		X 2.2.4	0.739		Z 1.1.8	0.758
	X 1.2.4	0.755		X 2.3.1	0.835		Z 1.1.9	0.793
	X 1.3.1	0.754		X 2.3.2	0.808		Z 1.1.10	0.784
	X 1.3.2	0.858		X 2.3.3	0.796		Z 1.1.11	0.761
	X 1.4.1	0.83		X 2.4.1	0.78		Z 1.1.12	0.783
	X 1.4.2	0.853		X 2.4.2	0.806		Z 1.2.1	0.841
	X 1.4.3	0.794	Development	Y 1.1.1	0.922		Z 1.2.2	0.791
	X 1.5.1	0.793	of Agribusiness	Y 1.2.1	0.934		Z 1.2.3	0.703
	X 1.5.2	0.755	MSMEs (Y)	Y 1.3.1	0.92		Z 1.3.1	0.809
Mentoring (X2)	X 2.1.1	0.758	CR = 0.916				Z 1.3.2	0.716
			CA = 0.916				Z 1.3.3	0.781
CR = 0.957	X 2.1.2	0.748	AVE = 0.857					
CA = 0.956	X 2.1.3	0.753	Competency (Z)	Z 1.1.1	0.829			
AVE = 0.620	X 2.1.4	0.724	CR = 0.96	Z 1.1.2	0.751			

Based on Table 3, the inner model looks for the path coefficient score of the correlation between constructs, namely the effect of training and mentoring on the development of Agribusiness MSMEs through competency. Based on Table 4, the bootstrapping process assesses the significance and strength of each path correlation in the structural model. The test criterion is the significance level $\alpha = 0.05$. The research results show that all hypotheses are accepted.

Training Affects the Development of Agribusiness MSMEs

Based on the inner model path analysis model, the training variable (X1) has a significant effect on the agribusiness UMKM development variable (Y). This can be seen from the path coefficient value of 0.211 with a p-value of 0.036. A p-value of 0.036 <5% means that the relationship has a significant effect. A positive path coefficient of 0.211 indicates that the influence of both is in the same direction. This means that the better the training, the better the development of agribusiness UMKM.

Based on the results of research conducted on agribusiness MSMEs assisted by the West Kalimantan Province Bank Indonesia Representative Office, it was found that the training attended by MSME actors affected the development of agribusiness MSMEs.

These results support the research conducted by Setiawan (2023), which states that the training variable directly affects business development. Training significantly affects people who will or are becoming entrepreneurs because the training provided by the relevant agencies is very helpful in implementing and developing entrepreneurship.

The results of the previous research mentioned above justify the importance of training in developing a business. In reality on the ground, MSMEs that take part in training have increasing income. This is following research by Putra & Devy (2024), which states that training for MSMEs has a stronger influence in increasing income in Bukittinggi City when it is more intensive and effective.

The training attended by participants included training on business branding. Participants who apply business branding can reach a wider marketing reach, especially if branding is done online. Branding capability is the ability of a company to integrate the entire series of organizational activities, one of which is communicating a consistent brand to consumers (Odoom and Mensah, 2018). In research by Anggraeni & Sanaji (2021), social or online media branding capabilities have been proven to have a positive relationship with marketing performance, which expands marketing reach.

Table 3. Discriminant Validity

Variable	X 1	X 2	Y	Z
Training (X1)				
Mentoring (X2)	0.752			
Development of Agribusiness MSMEs (Y)	0.785	0.816		
Competency (Z)	0.763	0.782	0.854	

Table 4 Hypothesis Testing

Path	Original Sample	Sample Average	Standard Deviation	P-Values
Training → Agribusiness MSME Development	0.211	0.194	0.117	0.036
Competency → Training	0.405	0.417	0.149	0.003
Mentoring → Development of Agribusiness MSMEs	0.294	0.298	0.154	0.028
Mentoring → Competency	0.456	0.447	0.151	0.001
Development → Agribusiness MSME Competency	0.427	0.433	0.183	0.01
Training → Competency → Agribusiness MSME Development	0.173	0.18	0.103	0.046
Mentoring → Competency → Development for Agribusiness MSMEs	0.195	0.192	0.105	0.032

Apart from that, participants who took part in the training also learned about inclusive finance and accounting recording practices. Understanding related to inclusive finance gives participants the desire to get business credit. Meanwhile, participants who understand financial management and implement good financial records can increase the trust of external institutions to collaborate. This is important to do to increase business competitiveness. This condition follows research by Rahmawati & Puspasari (2017), which states that good accounting implementation provides a strong indication that the quality of financial reports influences the ease of access to banking capital. In addition, training can open up opportunities for MSME players to collaborate with Other MSMEs, especially fellow training participants, governments such as Bank Indonesia or other financial institutions, or other private institutions. This collaboration is intended to obtain loan facilities, use of equipment, marketing or distribution, etc. Therefore, the competitiveness of MSMEs can increase.

In research conducted by Mochklas et al. (2023), training significantly affects the productivity of MSMEs. The training that participants took part in included business branding training. Participants who apply business branding can reach a more comprehensive marketing reach, especially if branding is done online. Branding capability is a company's ability to integrate the entire series of organizational activities, one of which is communicating the brand consistently to consumers (Odoom and Mensah 2018).

Training Affect Competence

Based on the inner model path analysis model, it shows that training (X1) has a significant effect on competence (Z). This can be seen from the path coefficient value of 0.405 with a p-value of 0.003. A p-value of 0.003 <5% can be said to have a significant effect. A positive path coefficient of 0.405 indicates that the influence of both is in the same direction. This means that the better the training, the better the competence of MSME actors.

Training will affect the competency of MSME players. Training is a short-term educational process that uses systematic and organized procedures to learn technical knowledge and skills for a limited purpose. MSME actors who take part in BIBI training gain results, namely knowledge and skills. Apart from that, training activities also affect the attitudes of MSME players

to be motivated to conduct business development, such as self-confidence, courage to take risks, future orientation, and leadership attitudes. So, training can affect the competence of MSME actors. The results of this research support research conducted by Lasmini et al. (2023), which states that the training can be very effective in increasing the knowledge and skills of participants. Training that is followed continuously over a long period will increase the participants' skills. The results of this research support research conducted by Wulandari & Uno (2021) which states that mentoring can increase the effectiveness of digital adoption by improving the content and form presented in digital marketing. Liawati et al. (2023) state that HR training partially has a significant effect on the competency of Champion MSME participants. Training is a systematic process for changing behavior or attitudes to increase the achievement of organizational goals (Dessler, 2003). The word change means providing opportunities to have the skills, knowledge, and attitudes needed by an organization to carry out its goals in achieving its goals. Changes in behavior are the same as changes in the way of acting, feeling, and thinking. Meanwhile, according to Handoko (2005), competency is the ability as a determining factor for the success of the personnel department in maintaining effective human resources.

Mentoring Affects the Development of Agribusiness MSMEs

Based on the inner path analysis model, it shows that training (X1) has a significant effect on competence (Z). This can be seen from the path coefficient value of 0.405 with a p-value of 0.003. A p-value of 0.003 <5% can be said to have a significant effect. A positive path coefficient of 0.405 indicates that the influence of both is in the same direction. This means that the better the training, the better the competence of MSME actors.

The assistance received by MSME actors can help develop MSMEs. Mentoring provides facilitation, strengthening, protection, and support needed by MSME actors. MSME players will feel helped and cared for by their companions, motivating them to develop their businesses. Assistance from Bank Indonesia regarding preparing financial reports organized by Bank Indonesia helps MSME players understand the importance of accurate bookkeeping in business management. Assistance encourages MSME players to digitize their businesses, including online business branding. In this way, marketing

reach can be more expansive, which will also impact increasing MSME income. Apart from that, assistance is also included when MSME players want to get credit from financial institutions or collaborate with other institutions. A colleague can help with this process. In this way, the competitiveness of MSMEs can increase in the dimension of MSMEs' ability to collaborate.

The results of research in the field support the research conducted by Suwandi (2024). The results show that the competency-based assistance carried out by PT PNM after collaborating with BRI has had a positive impact on micro-entrepreneurs and the growth of the MSME sector. Besides that, Oktoyoki et al. (2019), and assistance to business actors can help agribusiness MSMEs survive, develop, and compete with similar products. Mentoring that is carried out more intensely and is followed by participants being open about the problems the mentor faces will accelerate the achievement of targets in business development.

Mentoring Affect Competence

The discussion on the influence of mentoring on competence is to answer the formulation of the problem and hypothesis stating that mentoring influences competence. Based on the inner model path analysis model, it shows that mentoring (X2) has a significant effect on competence (Z). This can be seen from the path coefficient value of 0.456 with a p-value of 0.001. This is because the p-value of 0.001 <5% can be said to have a significant effect. The positive path coefficient, namely 0.456, indicates that the influence of both is in the same direction. This means that the better the mentoring, the better the competence of agribusiness MSME actors.

Mentoring according to Suharto (2005) is helping people, both individuals and groups, to discover the abilities that exist within themselves and the possibility of gaining the skills to develop those abilities. Assistance takes the form of facilitation, strengthening, protection, and support. Mentoring can encourage the potential of MSMEs to develop optimally, namely through honed knowledge and skills. Apart from that, mentoring influences the attitude of MSME actors, which fosters an unyielding spirit and a strong mentality in building the business they run, providing healthy and strong protection, as well as moral and material support. So, this assistance can help MSME players improve their competencies starting from attitudes, knowledge, and skills to develop their business.

According to him, assistance Suharto (2005) is helping people, both individuals and groups, to discover the abilities that exist within themselves and the possibility of acquiring the skills to develop these abilities. This assistance includes facilitation, strengthening, protection, and support. Mentoring can encourage MSMEs' potential to develop optimally through honed knowledge and skills. The results of this research also support research conducted by Adrian & Mulyaningsih (2017), which explains that mentoring influences the knowledge and abilities of MSME players regarding simple bookkeeping, simple production management, operations, and marketing, as well as increasing motivation and self-confidence. The success of mentoring is influenced by how the mentor can find and solve problems faced by participants (Rahmiyanti and Sari, 2022).

Competencies Affect the Development of Agribusiness MSMEs

The discussion on the influence of mentoring on the development of agribusiness MSMEs is to answer the formulation of the problem and hypothesis stating that mentoring has an effect on the development of agribusiness MSMEs. Based on the inner model path analysis model, it shows that competence (Z) has a significant effect on the development of agribusiness MSMEs (Y). This can be seen from the path coefficient value of 0.427 with a p-value of 0.010. This is because the p-value of 0.010 <5% can be said to have a significant effect. The positive path coefficient of 0.427 indicates that the influence of both is in the same direction. This means that the better the competence of MSME actors, the better the development of agribusiness MSMEs.

The competency of MSME actors is in the form of knowledge and skills in developing businesses that will support the MSME development process. Apart from that, good attitudes such as self-confidence, courage to take risks, future orientation, and leadership attitudes can maintain the process carried out by MSME players in sustainably developing their business. This is because according to Spencer & Spencer (1993), attitude is a competency that is not visible on the surface, which is called core competency. Attitude is an element that depends on the tendency of which position will be taken, namely a positive or negative direction. If the position has been determined, then the position cannot be changed for a long period.

The results of research in the field support the research conducted by Suryana & Burhanuddin (2021), namely that entrepreneurial competence is proven to influence the performance of coffee MSME businesses in Indonesia. Christiana et al. (2014) also stated that entrepreneurial competence has a significant influence on business development. The results of the research show that there is a positive influence. It means that the higher the entrepreneurial competence of the business owner, the higher the development of the Batik SME business in the Pesindon Center. It means that to increase business development, entrepreneurial competence is needed in the form of technical, marketing, financial, and human relations competence in managing one's business. Apart from that, in the research conducted Majid (2023), entrepreneurial Competency significantly affects performance.

Training and Mentoring Affect the Development of Agribusiness MSMEs Through Competence as an Intervening Variable

The discussion on the influence of training and mentoring on the development of agribusiness MSMEs with competence as an intervening variable is to answer the formulation of the problem and hypothesis that states that competence is influenced by training variables and mentoring variables and influences the development variables of agribusiness MSMEs. Based on the inner model path analysis model, it shows that competence is influenced by training variables and mentoring variables and influences the development of agribusiness MSMEs. This can be seen from the path coefficient values of 0.173 and 0.195 with p-values of 0.046 and 0.032. This is because the p-values of 0.046 and 0.032 <5% can be said to have a significant effect. Training is a short-term educational process that uses systematic and organized procedures to learn technical knowledge and skills for a limited purpose. MSME actors who take part in BIBI training gain results, namely knowledge and skills. Apart from that, training activities also affect the attitudes of MSME players to be motivated to conduct business development, such as self-confidence, courage to take risks, future orientation, and leadership attitudes. So, training can influence the competence of MSME actors. Likewise, mentoring can influence the competence of MSME actors. According to Suharto (2005), mentoring is to help people, both individuals and groups, discover the abilities that exist within themselves and the possibility of them acquiring the skills to develop these abilities.

The abilities in question are attitudes, knowledge, and skills. Mentoring can encourage MSMEs' potential to develop optimally through honed knowledge and skills. Apart from that, mentoring also affects the attitude of MSME players who foster an unyielding spirit and a strong mentality in building their businesses, providing healthy and robust protection and moral and material support. This assistance can help MSME players improve their competencies, starting from attitudes, knowledge, and skills, to develop their businesses.

So, the better the training and mentoring, the better the competence of MSME players. Furthermore, if the MSME actors' competence improves, the MSMEs' development will also improve. The competency of MSME actors is in the form of knowledge and skills in developing businesses that will support the MSME development process. Apart from that, good attitudes such as self-confidence, courage to take risks, future orientation, and leadership attitude can maintain the process by MSME players in sustainably developing their businesses. It is because, according to Spencer & Spencer (1993), attitude is a competency that is not visible on the surface; it is called core competency. Attitude is an element that depends on the tendency of which attitude will be taken, namely in a positive or negative direction. If an attitude has been determined, then that attitude cannot be changed in the long term. The results of this research are strengthened by research conducted by Fitriani et al. (2022), which states that competence affects employee performance. The results of this research support research conducted by Gerli et al. (2011), which states that entrepreneurial competence significantly influences the performance of MSMEs. In addition, entrepreneur competency mediates the correlation between financial services and MSME performance. Thus, training and mentoring tailored to the competency model can produce superior performance (Kralj, Goricanec, and Eisner, 2005).

Managerial Implications

Based on findings in the field, INKUBBI has been implemented in accordance with its aim, namely increasing the digitalization of MSMEs, but in its implementation there are shortcomings such as: ecommerce material is delivered less specifically so that MSME participants are not yet proficient in managing e-commerce. Apart from that, the financial recording material (SIAPIK application) is too detailed, even though the majority of assisted MSMEs simply use

simple financial recording. The assistance provided is still less effective for some MSMEs due to infrequent communication and MSMEs not being open to their mentors regarding the problems they face.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

This research shows an indirect effect between training and mentoring and the development of agribusiness MSMEs, where the intervening variable (competency) plays a mediating role in the correlation between training and mentoring and the development of agribusiness MSMEs. MSME actors who participate in training and mentoring must have competence in attitudes, knowledge, and skills. Furthermore, the more competent agribusiness MSMEs are, the better the development of agribusiness MSMEs will be, namely increasing income, strengthening competitiveness, and expanding market reach. However, competence does not play a full role because the direct path (direct influence) is significant and the indirect path (influence through mediation) is also significant, so the mediating variable, namely the competency variable, does not play a full role or does not play a role called partial mediation. It means that a lack of competency, training, and mentoring can directly impact the development of agribusiness MSMEs.

Recommendations

The INKUBBI program can be continued and developed by increasing the duration of training and mentoring for assisted MSMEs so that they can better apply the material received so that the development of MSMEs can be faster. It is hoped that it can provide training material related to gadget/computer operation to MSMEs because most MSMEs need more knowledge and skills in operating gadgets/computers. In connection with the level of knowledge and skills of MSMEs, the BIBI program can deliver financial recording material that is simpler and easier for MSME players to apply. Apart from that, you can conduct direct visits and discussions with the MSMEs you support to find the right solutions to the problems faced and formulate better program plans in the future. MSME players can maintain and increase the frequency of participating in training and mentoring because it can significantly influence the development of agribusiness

MSMEs, which is followed by increasing competency. For future researchers, it is hoped that the results of this research can be used as an example to develop this research further by considering other, more specific variables such as training duration and MSME branding on social media.

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