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# The Mediating Effect Of Financial Performance On The Influence Of Capital Assistance (Dumisake Program), Mentoring, And Training On Msme Performance In Jambi City

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**Abstract**

*This study aims to examine and explain the effects of working capital assistance (Dumisake program), mentoring, and training on the performance and financial performance of Micro, Small, and Medium Enterprises (MSMEs) in Jambi City. In addition, the study analyzes the mediating role of financial performance in the relationship between these three variables and MSME performance. This research employs a quantitative approach using a survey method involving 93 MSMEs that received working capital assistance through the DUMISAKE Program in 2023 and 2024. Data were analyzed using the Partial Least Squares (PLS) method. The results reveal that working capital assistance does not have a positive and significant effect on MSME performance. Conversely, mentoring and training have a positive and significant effect on MSME performance. Working capital assistance, mentoring, and training positively and significantly affect financial performance. Furthermore, financial performance is proven to have a positive and significant effect on MSME performance. The mediation test indicates that the effect of working capital assistance on MSME performance through financial performance is not significant, while mentoring and training are found to have a positive and significant effect on MSME performance through financial performance.*

**Keywords: Capital Assistance, Dumisake Program, Mentoring, Training, Financial Performance, MSME Performance**



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## INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in Indonesia's economy, especially during crises such as the 1998 monetary crisis and the Covid-19 pandemic. MSMEs absorb labor, promote economic equity, and contribute significantly to the Gross Domestic Product (GDP). According to data from the Ministry of Cooperatives and MSMEs in 2021, the number of MSMEs reached 64.2 million units, contributing 61.07% to GDP and absorbing 97% of the workforce (Boro et al., 2024 and Pratiwi & Hanafi, 2016).

However, MSMEs still face various obstacles that hinder their growth, particularly in terms of access to capital and limited human resources (HR). Lack of capital makes it difficult for MSME actors to develop their businesses, while limited knowledge and skills hamper optimal business management (Chandra et al., 2024). Therefore, mentoring and training programs provided by the government are essential to enhance the capacity and competitiveness of MSMEs.

To address the impact of the Covid-19 pandemic, the government launched the National Economic Recovery Program (PEN), which includes capital assistance, fund placement, and other fiscal policies. At the regional level, this program is implemented to promote MSME empowerment, including through the Dumisake Program in Jambi Province. This program aims to help MSMEs overcome capital constraints and improve their business sustainability, supported by training and mentoring.

In Jambi City, many MSMEs have great potential but often face common obstacles that hinder business development, especially limited working capital, lack of managerial and operational skills, and limited access to information and technology. In response to this, the Department of Cooperatives and MSMEs of Jambi Province, through the Regional Medium-Term Development Plan (RPJMD) 2021–2026, targets MSMEs to upgrade their capabilities and compete globally. One tangible intervention is the provision of working capital assistance through the Dumisake Program as an effort to overcome these barriers and encourage MSME growth in the region. The Working Capital Assistance Program (Dumisake) is distributed in the form of funds directly transferred to the accounts of communities, individuals, or business actors meeting certain criteria. In 2023, this program reached 3,600 MSMEs, and in 2024 it covered 2,000 MSMEs across various districts and cities in Jambi Province.

Several previous studies have shown that working capital assistance positively affects liquidity, investment, and the scale of MSMEs, as found by Nisa & Lindananty (2024), although the effectiveness of such assistance heavily depends on proper capital


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management. Furthermore, structured and continuous mentoring can enhance knowledge, managerial skills, and the ability of MSMEs to adapt to market changes. Research by Trimustikapuri et al., (2024) states that financial literacy mentoring helps MSME actors manage bookkeeping and make financial decisions, while Rialdy dan Melisa (2023) found that entrepreneurial mentoring increases economic knowledge and the entrepreneurial spirit among the community.

Moreover, training tailored to the needs of MSMEs, such as entrepreneurship training, financial management, digital marketing, and product development, has proven to improve human resource competencies and encourage business innovation. This is supported by various studies, including Fauzan (2022) dan Alinsari (2021), which show that training contributes significantly to improving MSME performance. Several studies also emphasize that financial performance acts as a key mediator linking interventions such as capital assistance, mentoring, and training with overall business performance. Utami (2020) reveal that optimal intervention results occur when followed by good financial management practices, making improved financial performance an indicator of program effectiveness in driving MSME growth and sustainability.

This study was conducted in the City of Jambi, which in 2023–2024 received working capital assistance through the Dumisake program for a total of 1,401 MSMEs. As the capital of Jambi Province, the City of Jambi consists of 11 districts, including Telanaipura, Pelayangan, Pasar Jambi, Paal Merah, Jambi Timur, Jambi Selatan, Danau Teluk, Kota Baru, Danau Sipin, and Alam Barajo. According to data from the Online Data System (ODS) of the Jambi Provincial Office of Cooperatives and MSMEs in 2024, there are 6,190 MSMEs in the City of Jambi, indicating that the Dumisake working capital assistance program has not yet been fully distributed to all MSMEs in the area.

Based on the issues and phenomena in the City of Jambi, this research is important to measure the effectiveness of working capital assistance (Dumisake program), mentoring, and training in improving MSME performance through financial performance as a mediating variable. The results of this study are expected to contribute to the formulation of more effective policies and empowerment programs for MSMEs in the City of Jambi. Furthermore, this study fills a gap in research by comprehensively examining the influence of these interventions on MSME performance within the specific geographic context and the Dumisake program.


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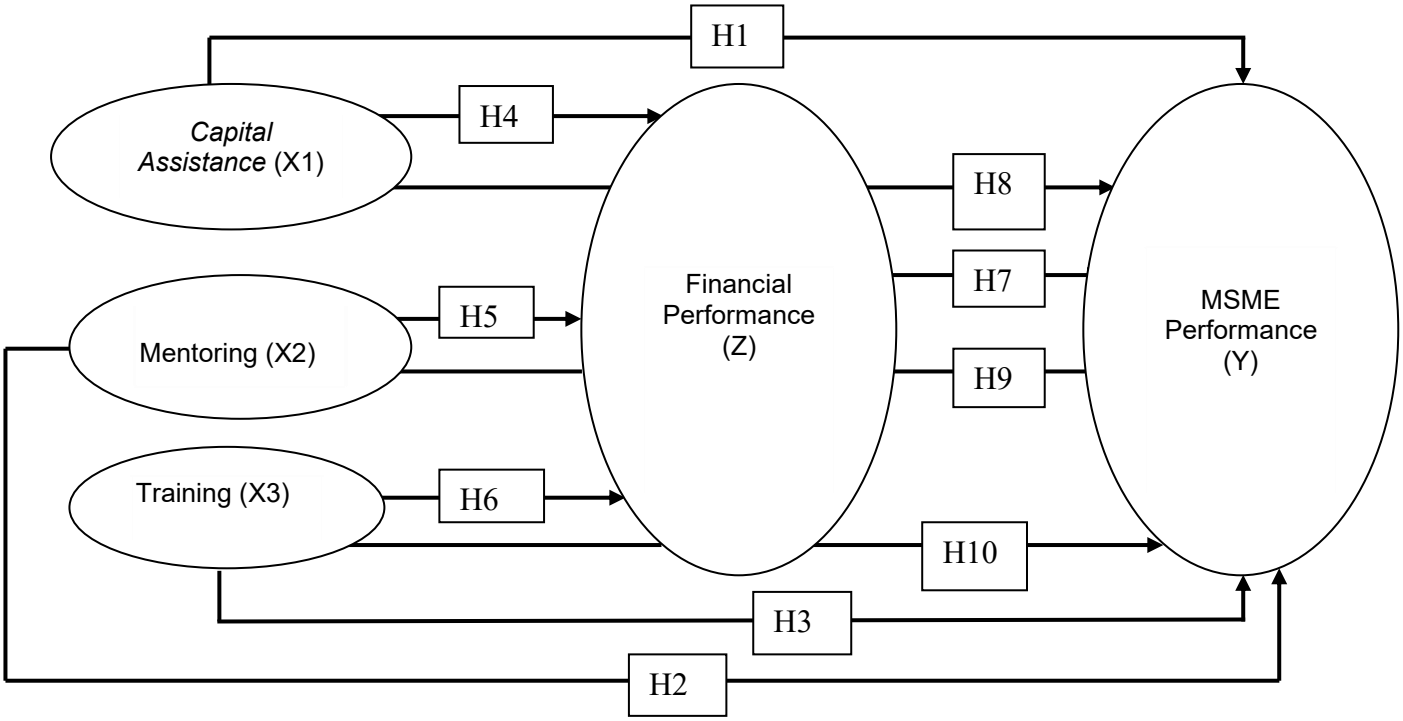



**Figure 1. Conceptual Framework**

**Capital Assistance (Dumisake Program)**

Working capital is a vital element in the continuity of a company's operations as it provides funds for daily activities such as purchasing raw materials, paying salaries, and other operational expenses. According to experts such as Sutrisno (2017), Astuti (2019) and Naryono (2019), optimal working capital is a critical determinant of operational success and company profitability. Poor management of working capital risks causing liquidity and operational problems. The benefits of adequate working capital, as noted by Pratiwi dan Hanafi (2016), not only ensure operational continuity but also reflect the financial health of the company and help maintain a balance between liquidity and profitability. Working capital is especially important because MSMEs are the backbone of the economy, capable of creating jobs and driving economic growth. Based on Law No. 20 of 2008, MSMEs are classified according to net assets and annual sales with specific thresholds for micro, small, and medium enterprises.


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The Jambi Provincial Government, through the Dumisake Program, provides support in the form of working capital assistance to MSME actors to accelerate regional economic recovery and reduce poverty rates. This program aims to increase MSME assets and turnover, absorb labor, and reduce unemployment, as outlined in the Regional Medium-Term Development Plan (RPJMD) No. 11 of 2021 and Jambi Governor Regulation No. 02 of 2022. The Dumisake Program demonstrates the strategic role of the local government in empowering MSMEs through sustainable and measurable working capital support.

**Mentoring**

MSME mentoring is a strategic process aimed at assisting business actors in improving their business capacity and performance through guidance in managerial, technical, marketing, financial, and human resource aspects. Theoretically, this mentoring can be explained through five main approaches. First, the Human Capital theory emphasizes the importance of improving the quality of human resources through training and education (Chandra et al., 2024). Second, the Resource Dependence theory highlights the role of mentoring in providing MSMEs access to markets, financing, and strategic networks. Third, the Learning Organization theory views mentoring as a continuous learning process to face changes. Fourth, the Entrepreneurship theory explains mentoring as a means to develop the ability to recognize opportunities and manage business risks (Hasan, 2024). Fifth, the Financial Management theory stresses the importance of support in designing a healthy and efficient financial system. Overall, MSME mentoring contributes to enhancing managerial capacity, access to resources, innovation, entrepreneurship, and financial management that supports business sustainability.

**Training**

Training for MSMEs plays a crucial role in enhancing the skills, knowledge, and adaptive capacity of business actors to compete in a dynamic market. Grounded in Human Capital and Andragogy theories, MSMEs as adult learners can gain practical understanding in financial management, marketing, product development, and digital technology (Susilani dan Retnaningdiah, 2023). The main focus of training includes improving managerial skills such as business planning and strategic leadership; strengthening financial management covering cash flow, budgeting, and financial reporting; marketing and market development including branding strategies and digital


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marketing; leveraging technology for operational efficiency and digitalization; as well as product innovation and business development to align with market trends and demands (Irfan et al., 2024). Effective training enhances MSMEs' competitiveness while promoting business sustainability amid economic uncertainty.

**Financial Performance**

Financial performance plays an important mediating role in improving MSME performance, as effective financial management enables business actors to obtain capital, manage resources, and optimize operations for better business outcomes (Daromes & Jao, 2020). Financial performance refers to the extent to which a company manages its finances correctly and in accordance with regulations.

The assessment of financial performance aims to evaluate the company's ability to achieve financial targets, identify areas for improvement, and formulate strategies to enhance profitability and efficiency. The evaluation uses financial ratios such as liquidity, solvency, profitability, and activity ratios that comprehensively reflect the financial condition. Ratio comparisons are made between periods within the same company or between similar companies to identify trends and competitive positions. Accurate assessment requires complete financial statements and a sound accounting recording system in accordance with generally accepted accounting principles. Understanding financial performance is essential as a basis for strategic decision-making and achieving the company's long-term goals (Herawati, 2019).

**MSME Performance**

Performance is a depiction of an organization's overall condition during a certain period, influenced by operational activities in utilizing available resources. According to Srimindarti (2004), performance includes organizational actions within a period based on efficiency, accountability, and cost standards. Performance as the level of task achievement in realizing the organization's goals and vision.

Organizational performance measurement varies depending on the focus and variables used. Tomljenović & Stilin (2010) measure performance through entrepreneurial performance, business performance, and strategic goals. Espino-Rodríguez & Ramírez-Fierro (2018) measure financial and non-financial performance related to strategic orientation. Performance measurement is adjusted to the type of company and variables studied. Measurements can include financial performance, green performance, or a combination of several aspects for a comprehensive assessment.


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## RESEARCH METHODOLOGY

This study uses a quantitative approach. The population consists of 1,401 MSME actors in Jambi City who received working capital assistance through the Dumisake Program in 2023–2024. A sample of 93 respondents was determined using purposive sampling and Slovin's formula with a 10% margin of error. The sample was then distributed proportionally based on the number of recipients per year and by district, to ensure balanced data representation that reflects field conditions. Data were collected through questionnaires, supported by secondary data from official documents and relevant literature.

For data analysis, Partial Least Squares Structural Equation Modeling (PLS-SEM) was employed. The analysis includes two main models: the outer model and the inner model. It also involves testing mediation effects by examining direct and indirect influences among variables, using bootstrapping procedures to assess significance. This method was chosen due to its capability to handle complex models and small sample sizes reliably.

## RESULT AND DISCUSSION

### Respondent Identity

This section describes the business profile characteristics of the respondents involved in the study. Understanding respondent characteristics is necessary to provide context for data analysis and to help identify patterns or tendencies that may influence the research outcomes.

**Table 1. Respondent Characteristics**

| | Respondent Characteristics | Frequency | Percentage |
|---|---|---|---|
| Gender | Male | 12 | 13% |
| | Female | 81 | 87% |
| Age | >25 years old | 3 | 3% |
| | 25-34 years old | 27 | 29% |
| | 35-44 years old | 29 | 31% |
| | >44 years old | 34 | 37% |
| Last Education Level | Elementary School | 7 | 8% |
| | Junior High School | 6 | 6% |



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| | | | |
|---|---|---|---|
| | Senior High School / Vocational High School | 53 | 57% |
| | Diploma | 8 | 9% |
| | Bachelor's Degree | 19 | 20% |
| | Master's / Doctorate Degree | 0 | 0% |
| Business Type | Culinary | 73 | 78% |
| | Fashion | 5 | 5% |
| | Handicrafts | 6 | 6% |
| | Services | 9 | 10% |
| Business Duration | <1 year | 3 | 3% |
| | 2-5 years | 54 | 58% |
| | 6-10 years | 23 | 25% |
| | >10 years | 13 | 14% |
| Number of Employees | 1 person | 62 | 67% |
| | 2-5 people | 30 | 32% |
| | 6-10 people | 1 | 1% |
| | >10 people | 0 | 0% |
| Revenue Amount | Rp5.000.000 | 62 | 67% |
| | Rp5.000.000 – Rp10.000.000 | 24 | 26% |
| | Rp11.000.000 – Rp20.000.000 | 6 | 6% |
| | >Rp20.000.000 | 1 | 1% |
| Year Received Dumisake Program | 2023 | 46 | 49% |
| | 2024 | 47 | 51% |
| Total | | 93 | 100% |

Source: Primary Data, 2025

**Outer Model**

The measurement model explains the relationship between indicators and the latent variables being measured, as well as their associations with the relevant constructs (Hair et al., 2022).



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**Convergent Validity**

Convergent validity measures the extent to which indicators within a construct correlate with the latent variable they represent, with a loading factor value greater than 0.7 indicating good validity.

**Table 2 Loading Factor Value**

| | Capital Assistance | Mentoring | Training | Financial Performance | MSME Performance |
|---|---|---|---|---|---|
| **BMU1** | 0,848 | | | | |
| **BMU2** | 0,802 | | | | |
| **BMU3** | 0,799 | | | | |
| **BMU4** | 0,867 | | | | |
| **BMU5** | 0,855 | | | | |
| **BMU6** | 0,826 | | | | |
| **BMU7** | 0,887 | | | | |
| **K1** | | | | | 0,805 |
| **K2** | | | | | 0,800 |
| **K3** | | | | | 0,889 |
| **K4** | | | | | 0,876 |
| **K5** | | | | | 0,891 |
| **K6** | | | | | 0,877 |
| **K7** | | | | | 0,852 |
| **K8** | | | | | 0,861 |
| **KPU1** | | | | 0,764 | |
| **KPU2** | | | | 0,800 | |
| **KPU3** | | | | 0,831 | |
| **KPU4** | | | | 0,858 | |
| **KPU5** | | | | 0,908 | |
| **KPU6** | | | | 0,886 | |
| **KPU7** | | | | 0,852 | |
| **KPU8** | | | | 0,844 | |
| **KPU9** | | | | 0,847 | |
| **KPU10** | | | | 0,862 | |
| **PD1** | | 0,757 | | | |
| **PD2** | | 0,776 | | | |



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| | | | | | |
|---|---|---|---|---|---|
| **PD3** | | 0,812 | | | |
| **PD4** | | 0,840 | | | |
| **PD5** | | 0,834 | | | |
| **PD6** | | 0,863 | | | |
| **PD7** | | 0,882 | | | |
| **PD8** | | 0,881 | | | |
| **PL1** | | | 0,857 | | |
| **PL2** | | | 0,921 | | |
| **PL3** | | | 0,911 | | |
| **PL4** | | | 0,945 | | |
| **PL5** | | | 0,961 | | |
| **PL6** | | | 0,952 | | |
| **PL7** | | | 0,964 | | |
| **PL8** | | | 0,946 | | |
| **PL9** | | | 0,950 | | |
| **PL10** | | | 0,961 | | |

Source: Data Processed Using SmartPLS, 2025

Based on Table 2, all loading factor values are above the minimum threshold of 0.70, indicating that convergent validity is good and meets the required criteria. This suggests that each indicator consistently and accurately represents the construct being measured.

**Discriminant Validity**

Discriminant validity measures an indicator's ability to distinguish one construct from another. It is assessed by examining cross-loadings, where indicators are expected to have higher loading values on the construct they represent than on other constructs.

**Table 3 Cross Loading Value**

| | Capital Assistance | Mentoring | Training | Financial Performance | MSME Performance |
|---|---|---|---|---|---|
| **BMU1** | 0,848 | 0,392 | 0,179 | 0,169 | 0,333 |
| **BMU2** | 0,802 | 0,367 | 0,252 | 0,139 | 0,238 |
| **BMU3** | 0,799 | 0,342 | 0,175 | 0,087 | 0,141 |



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| | | | | | |
|---|---|---|---|---|---|
| **BMU4** | 0,867 | 0,356 | 0,168 | 0,131 | 0,238 |
| **BMU5** | 0,855 | 0,356 | 0,174 | 0,099 | 0,211 |
| **BMU6** | 0,826 | 0,515 | 0,340 | 0,371 | 0,501 |
| **BMU7** | 0,887 | 0,496 | 0,298 | 0,235 | 0,352 |
| **K1** | 0,342 | 0,497 | 0,449 | 0,466 | 0,805 |
| **K2** | 0,431 | 0,601 | 0,582 | 0,417 | 0,800 |
| **K3** | 0,404 | 0,531 | 0,492 | 0,434 | 0,889 |
| **K4** | 0,341 | 0,579 | 0,440 | 0,487 | 0,876 |
| **K5** | 0,333 | 0,498 | 0,488 | 0,493 | 0,891 |
| **K6** | 0,289 | 0,439 | 0,480 | 0,560 | 0,877 |
| **K7** | 0,282 | 0,409 | 0,409 | 0,511 | 0,852 |
| **K8** | 0,282 | 0,536 | 0,494 | 0,583 | 0,861 |
| **KPU1** | 0,261 | 0,487 | 0,490 | 0,764 | 0,609 |
| **KPU2** | 0,288 | 0,465 | 0,292 | 0,800 | 0,489 |
| **KPU3** | 0,248 | 0,546 | 0,402 | 0,831 | 0,558 |
| **KPU4** | 0,236 | 0,453 | 0,423 | 0,858 | 0,528 |
| **KPU5** | 0,206 | 0,548 | 0,454 | 0,908 | 0,481 |
| **KPU6** | 0,199 | 0,541 | 0,506 | 0,886 | 0,540 |
| **KPU7** | 0,145 | 0,470 | 0,452 | 0,852 | 0,415 |
| **KPU8** | 0,103 | 0,408 | 0,327 | 0,844 | 0,347 |
| **KPU9** | 0,169 | 0,426 | 0,380 | 0,847 | 0,417 |
| **KPU10** | 0,259 | 0,425 | 0,352 | 0,862 | 0,410 |
| **PD1** | 0,499 | 0,757 | 0,429 | 0,484 | 0,515 |
| **PD2** | 0,525 | 0,776 | 0,390 | 0,434 | 0,444 |
| **PD3** | 0,438 | 0,812 | 0,527 | 0,354 | 0,411 |
| **PD4** | 0,495 | 0,840 | 0,564 | 0,405 | 0,398 |
| **PD5** | 0,367 | 0,834 | 0,437 | 0,515 | 0,502 |
| **PD6** | 0,445 | 0,863 | 0,496 | 0,511 | 0,555 |
| **PD7** | 0,302 | 0,882 | 0,562 | 0,530 | 0,524 |
| **PD8** | 0,361 | 0,881 | 0,630 | 0,513 | 0,583 |
| **PL1** | 0,338 | 0,578 | 0,857 | 0,382 | 0,518 |
| **PL2** | 0,285 | 0,621 | 0,921 | 0,485 | 0,564 |
| **PL3** | 0,244 | 0,510 | 0,911 | 0,423 | 0,506 |


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| | | | | | |
|---|---|---|---|---|---|
| **PL4** | 0,265 | 0,552 | 0,945 | 0,481 | 0,514 |
| **PL5** | 0,328 | 0,594 | 0,961 | 0,462 | 0,574 |
| **PL6** | 0,276 | 0,564 | 0,952 | 0,473 | 0,528 |
| **PL7** | 0,253 | 0,590 | 0,964 | 0,508 | 0,545 |
| **PL8** | 0,240 | 0,534 | 0,946 | 0,439 | 0,519 |
| **PL9** | 0,255 | 0,567 | 0,950 | 0,476 | 0,496 |
| **PL10** | 0,286 | 0,577 | 0,961 | 0,455 | 0,489 |

Source: Data Processed Using SmartPLS, 2025

Based on Table 3, the discriminant validity is considered adequate because each indicator shows a higher loading factor on its own construct compared to other constructs. This indicates that the indicators can clearly differentiate between constructs, thus the discriminant validity in this model can be regarded as fulfilled.

**Composite Reliability**

Composite reliability is measured using composite reliability and Cronbach's alpha. Composite reliability assesses the consistency of indicators in measuring a construct, with values above 0.7 considered reliable. Meanwhile, Cronbach's alpha indicates good reliability if its value exceeds 0.6, and the average variance extracted (AVE) should be greater than 0.5.

**Table 4. Reliability Value**

| | ***Cronbach's Alpha*** | ***rho_A*** | ***Composite Reliability*** | ***Average Variance Extracted (AVE)*** |
|---|---|---|---|---|
| Capital Assistance (X1) | 0,936 | 1,015 | 0,944 | 0,708 |
| Mentoring (X2) | 0,936 | 0,941 | 0,947 | 0,692 |
| Training (X3) | 0,985 | 0,986 | 0,986 | 0,879 |
| MSME Performance (Y) | 0,956 | 0,959 | 0,962 | 0,716 |
| Financial Performance (Z) | 0,948 | 0,949 | 0,957 | 0,735 |

Source: Data Processed Using SmartPLS, 2025

Based on Table 4., it is shown that the constructs are reliable, with composite reliability values >0.7 and Cronbach's alpha >0.6. The AVE values >0.5.


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**Inner Model**

The structural model is used to examine the relationships among latent variables and the influence of exogenous variables on endogenous variables in the study (Hair et al., 2022).

**R-Square**

R-Square ($R^2$) indicates the extent to which exogenous variables explain the endogenous variables, with categories classified as high (0.75), moderate (0.50), and low (0.25).

**Table 5 R-Square**

| | R Square | R Square Adjusted |
|---|---|---|
| MSME Performance (Y) | 0,427 | 0,401 |
| Financial Performance (Z) | 0,433 | 0,414 |

Source: Data Processed Using SmartPLS, 2025

Based on Table 5, the $R^2$ value for UMKM Performance (Y) is 0.427 and for Financial Performance (Z) is 0.433, meaning that the variables in the model explain approximately 42.7% and 43.3% of the variation in these two variables, respectively. These values fall into the moderate category, while the remaining variation is influenced by other factors outside the research model.

**Bootstrapping (Hypothesis Testing)**

Bootstrapping (Hypothesis Testing) is a resampling technique used to test the significance of relationships between variables in the model. A relationship is considered significant if the p-value is less than 0.1 at a 10% confidence level.

**Table 6 Hypothesis Testing Results**

| | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics | P Values |
|---|---|---|---|---|---|
| **X1 -> Y** | -0,090 | -0,087 | 0,087 | 1,028 | 0,153 |
| **X1 -> Z** | 0,128 | 0,118 | 0,091 | 1,405 | 0,082 |
| **X2 -> Y** | 0,339 | 0,311 | 0,142 | 2,380 | 0,010 |



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| | | | | | |
|---|---|---|---|---|---|
| **X2 -> Z** | 0,342 | 0,357 | 0,126 | 2,712 | 0,004 |
| **X3 -> Y** | 0,118 | 0,123 | 0,090 | 1,303 | 0,098 |
| **X3 -> Z** | 0,316 | 0,322 | 0,114 | 2,774 | 0,003 |
| **Z -> Y** | 0,344 | 0,369 | 0,144 | 2,389 | 0,009 |
| **X1 -> Z-> Y** | 0,044 | 0,044 | 0,039 | 1,139 | 0,129 |
| **X2 -> Z -> Y** | 0,118 | 0,132 | 0,075 | 1,566 | 0,060 |
| **X3 -> Z-> Y** | 0,108 | 0,122 | 0,077 | 1,403 | 0,082 |

Source: Data Processed Using SmartPLS, 2025

## DISCUSSION

### The Influence of Capital Assistance (Dumisake Program) on MSME Performance

The research results indicate that working capital assistance (the Dumisake program) does not have a positive and significant effect on the performance of MSMEs. This suggests that providing capital does not automatically improve the performance of MSMEs in Jambi City. The causes include low fund management skills, insufficient financial literacy, and suboptimal use of capital that does not align with business needs.

These findings align with the studies by Putra et al., (2024) and Sailo et al., (2024), which show that capital assistance does not directly enhance business performance, even though capital can support technical operational aspects. Tambunan (2020) adds that without proper management, capital may even have negative effects. Therefore, the effectiveness of capital assistance highly depends on other supporting factors such as mentoring, training, and tailoring aid according to business needs. Hence, the Dumisake program needs to be developed with a more comprehensive approach to sustainably improve MSME performance.

### The Influence of Mentoring on MSME Performance

The research results show that mentoring has a positive and significant effect on MSME performance. Intensive and quality mentoring, such as managerial training, marketing strategies, and operational guidance, has been proven to improve business performance. This finding is supported by Trimustikapuri et al., (2024), who show that financial literacy mentoring enhances the ability of MSME actors to manage business finances. Rialdy and Melisa (2023) also found that entrepreneurial mentoring can improve economic knowledge and business management efficiency. Overall, mentoring is a key


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factor in sustainably improving MSME performance through strengthening the capacity and competence of business actors.

**The Effect of Training on MSME Performance**

The research results indicate that training has a positive and significant effect on MSME performance. Although the statistical significance is not yet fully strong, training still provides a tangible contribution to improving productivity and service quality. Through training, MSME actors acquire new knowledge and skills that encourage adaptation to business challenges. Previous studies also support this finding. Fauzan (2022) showed that training aligned with business tasks improves marketing and sales strategies. Alinsari (2021) emphasized that training and mentoring in simple bookkeeping enhance the financial literacy of business actors.

**The Effect of Capital Assistance (Dumisake Program) on Financial Performance**

The research results show that working capital assistance has a positive and significant effect on the financial performance of MSMEs in Jambi City. The working capital provided helps business actors meet operational needs, such as purchasing raw materials and daily financing, which ultimately strengthens cash flow and revenue. Setiawan dan Kumara (2024) supports this finding, showing that government assistance in the form of working capital demonstrate that programs such as the People's Business Credit encourage increased financial capacity and business volume of micro enterprises.

**The Influence of Mentoring on Financial Performance**

The research results show that mentoring has a positive and significant effect on improving the financial performance of MSMEs. The support provided through the mentoring process helps business actors manage cash flow, prepare financial reports, and make wiser financial decisions. With proper guidance, MSMEs can minimize fund management errors, increase efficiency, and maintain financial stability. These results align with the study by Devita (2023), which found that mentoring and financial reporting socialization significantly impact MSMEs' financial performance.

**The Effect of Training on Financial Performance**

The research results indicate that training has a positive and significant effect on improving the financial performance of MSMEs in Jambi City. The training provided strengthens the capacity of business actors to manage financial aspects, ranging from


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transaction recording, profit and loss report management, to long-term financial planning. This improvement in skills directly contributes to healthier and more sustainable financial performance.

A study by Halwiah et al., (2025) shows that training has a greater impact on MSME financial performance compared to mentoring and consulting, emphasizing the importance of a structured and needs-based training approach. This finding is reinforced by Khairi et al., (2023) also stated that training serves as an important link between financial literacy and MSME performance improvement. More than just knowledge transfer, training helps business actors understand financial reporting standards, data-driven decision making, and prudent use of funding sources. In other words, training has a direct impact on daily managerial practices.

**The Effect of Financial Performance on MSME Performance**

The research results show that financial performance has a positive and significant effect on the performance of MSMEs in Jambi City. This reflects that good financial management supports operational continuity, the ability to meet business obligations, as well as opportunities for expansion and increased competitiveness. Healthy financial performance is an essential prerequisite for business growth and sustainability.

This is supported by findings from Winarso & Kurniawati (2022), which show that the ability to prepare financial reports significantly impacts the effectiveness of MSME business strategies. The availability of accurate financial data enables business actors to make decisions based on valid information. Research by Prastika Pratama et al., (2020) also confirms that MSME financial performance makes a tangible contribution to local economic development. Indicators such as profitability ratios (NPM and ROE) demonstrate that MSMEs managed with sound financial principles not only grow internally but also create broader economic impacts.

**The Effect of Capital Assistance (Dumisake Program) on MSME Performance Mediated by Financial Performance**

The research results show that the effect of working capital assistance on MSME performance, mediated by financial performance, is not significant. Although capital assistance can influence financial performance, the effect is not strong enough to indirectly improve MSME performance through this mediation. This finding indicates that financial performance has not effectively served as a mediator between working capital assistance and MSME performance, possibly due to low financial literacy, weak recording


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systems, and suboptimal utilization of capital. Additionally, MSME actors tend to use capital for short-term needs, such as raw materials or debt repayment, rather than for productive investments that strengthen long-term financial structure.

These results are in line with several previous studies stating that MSME financial performance is influenced not only by working capital but also by management, business strategy, and external conditions. Since there are still few studies examining the mediation of financial performance in this context, this research provides an important contribution by emphasizing the need for a more comprehensive approach to understanding the factors affecting MSME performance.

**The Effect of Mentoring on MSME Performance Mediated by Financial Performance**

The research results show that mentoring has a positive and significant effect on MSME performance mediated by financial performance. Mentoring helps MSME actors improve their financial management skills, such as bookkeeping and financial planning. The improved financial performance resulting from mentoring becomes an important factor supporting the overall enhancement of MSME performance. In other words, mentoring positively impacts MSMEs not only directly but also indirectly through improved financial performance as a mediator. To be effective, mentoring must be carried out intensively and continuously, especially in the aspect of financial strengthening.

**The Effect of Training on MSME Performance Mediated by Financial Performance**

The research results show that training has a positive and significant effect on MSME performance mediated by financial performance, indicating that training impacts not only directly but also through improved financial management. This underscores the importance of financial management understanding for MSME actors as an outcome of the training received. The training enhances the skills of MSME actors in managing finances, such as bookkeeping and financial planning. This improvement in financial performance then acts as a mediator that helps improve overall MSME performance. In other words, training positively affects MSME performance not only directly but also through enhancing the financial health of the business. Therefore, training focused on financial literacy and management is crucial for the success of MSMEs.

## CONCLUSION

The analysis results show that working capital assistance does not have a positive and significant effect on MSME performance, whereas mentoring and training have


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positive and significant effects on MSME performance. Working capital assistance, mentoring, and training are proven to have positive and significant effects on financial performance. Furthermore, financial performance also has a positive and significant effect on MSME performance. However, working capital assistance mediated by financial performance does not show a significant effect on MSME performance, while mentoring and training mediated by financial performance have positive and significant effects.

Based on these findings, it is recommended that MSMEs optimize the use of capital assistance with careful planning and improve financial and managerial literacy. MSMEs also need to actively participate in mentoring and training programs and build a commitment to continuous development. For the government, strengthening the monitoring mechanisms for capital assistance, integrating financial training into all support programs, and developing sustainable mentoring involving various stakeholders are necessary. Meanwhile, for the academic community, it is recommended that future research explore other variables such as innovation and digitalization, use mixed methods approaches, test combinations of interventions, conduct comparisons across regions and business sectors, and carry out long-term evaluations to assess the sustainability of program impacts on MSME growth.

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