

SI UNGGUL: TRAINING CURRICULUM FOR ENHANCING INNOVATION CAPACITY AND COMPETITIVENESS OF MSMEs IN PALANGKA RAYA

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Abstract. *Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in the economy of Palangka Raya City, Central Kalimantan. However, their development is hindered by limitations in managerial and entrepreneurial capabilities, including weaknesses in developing business plans and creating innovative products. This issue underscores the urgency of interventions focused on increasing the capacity of MSME human resources. This study aims to design an effective and sustainable training model/platform for MSMEs in Palangka Raya City, specifically focusing on product creativity development and enhancing market appeal. Employing a descriptive qualitative research method, this study will delve into the needs, challenges, and perspectives of MSME actors, and identify the key elements (curriculum, delivery methods, and post-training support) most relevant to the local context. Data will be collected through in-depth interviews with MSME actors, representatives from relevant agencies (Cooperative and SME Office), and academics. The results of this research are expected to yield an applicable and structured training model that not only improves the managerial and business planning skills of MSMEs but also empowers them to produce high-value products capable of competing in a wider market. This training platform is designed as a strategic solution to help MSMEs "step up their class," thereby contributing more optimally to regional economic growth.*

Keywords: *Managerial Capability; MSMEs; Product Development; Qualitative; Training.*

1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) serve as a vital pillar of the economy in Palangka Raya City, acting both as drivers of local economic activity and as providers of employment opportunities for the community. Despite their strategic role, the development of MSMEs in this region has not yet reached its optimal potential. Many business actors continue to face limitations in managerial and entrepreneurial capabilities, including weaknesses in preparing business plans, managing operations, and developing innovative products with strong market appeal. These constraints in human resource capacity have become major obstacles preventing MSMEs from enhancing their product value and competing in broader markets.

According to data from the Provincial Office of Cooperatives and MSMEs of Central Kalimantan as of December 31, 2023, Palangka Raya City is home to 27,298 MSMEs, comprising 19,042 micro enterprises, 7,922 small enterprises, and 334 medium enterprises. The dominance of micro enterprises indicates that most MSMEs remain at an early developmental stage, characterized by limited capital, technology, and access to training. These limitations contribute to low product quality, minimal innovation, and weak managerial competence. Although a small number of MSMEs have succeeded in improving their performance through training and innovation, they represent only a small fraction of the overall business population.

Within the context of regional policy, the 2024 MSME development program initiated by the Palangka Raya City Government emphasizes the importance of managerial training, product creativity enhancement, and sustained mentoring to help MSMEs "move up the ladder." However, to date, no structured, systematic, and locally contextualized training model has been

available. Existing training initiatives tend to be general in nature, lack contextual relevance, and do not integrate essential elements such as curriculum design, delivery methods, and post-training support. This condition highlights the gap between field needs and the available training models.

These issues became even more evident through in-depth interviews with three MSMEs in Palangka Raya Café Edaizu, Warung Kopi Kong, and Cake Hope. The findings reveal that managerial capacity, product creativity, cleanliness standards, and decision-making processes vary widely and often lack standardized procedures. MSMEs that have previously participated in training programs demonstrate better product quality and business management, whereas those without training experience tend to show limited innovation and undocumented managerial practices. This reinforces the need for training interventions that are not merely theoretical but practical and aligned with local needs.

Based on these conditions, this study aims to design the “Si Unggul” training model, an effective and sustainable platform for MSMEs in Palangka Raya City. Specifically, this study seeks to:

1. Identify the needs, challenges, and perspectives of MSME actors regarding managerial capabilities and product creativity;
2. Formulate key training components—including curriculum, delivery methods, and post-training support—aligned with local characteristics; and
3. Produce an applicable training model to enhance product creativity, market appeal, and managerial capability in a sustainable manner.

Through a descriptive qualitative approach, this study is expected to produce a training model that not only addresses internal weaknesses of MSMEs but also empowers business actors to develop high-value and competitive products. The “Si Unggul” training model is projected to become a strategic solution for MSMEs in Palangka Raya to improve product quality, expand market reach, and contribute more effectively to regional economic growth.

2. LITERATURE REVIEW

2.1 Innovation Capability of MSMEs

Innovation capability refers to the ability of an organization to identify opportunities, absorb new information, and transform knowledge into value-added products or processes. Cohen and Levinthal’s (1990) concept of *absorptive capacity* highlights the importance of recognizing, assimilating, and utilizing external knowledge—an ability that is particularly relevant for MSMEs operating within rapidly changing markets. Schumpeter (1934) emphasized creativity as the core driver of product differentiation, while more recent evidence from Kim and Park (2022) shows that innovative capability is positively associated with product variation and competitiveness among food and beverage MSMEs.

2.2 Product Quality and Operational Standardization

Product quality encompasses physical characteristics, adherence to standards, durability, aesthetics, and consumer perception. Garvin’s (1987) eight dimensions of quality remain a widely used reference in evaluating product performance. Kotler and Keller (2016) argue that consistent product quality is a primary determinant of customer satisfaction. In practice, many MSMEs still lack written Standard Operating Procedures (SOPs), resulting in unstable production processes. Kafetzopoulos (2020) found that operational standardization enhances product consistency, whereas Al-Shammari (2022) reported that compliance with hygiene and production standards increases customer trust and brand credibility.

2.3 Managerial Capability and Decision-Making in MSMEs

Managerial capability includes the functions of planning, organizing, leading, and controlling, as stated by Lussier (2007) and Jones and George (2017). Many MSMEs struggle in this area due to limited formal documentation and insufficient use of data in operational decision-making. Hossain et al. (2022) reported that MSMEs in developing countries tend to rely on intuitive decision-making. This aligns with Sutrisno's (2017) assertion that weak managerial capacity often results in the absence of SOPs, long-term plans, and quality control mechanisms.

2.4 Customer Service, Sanitation, and Operational Efficiency

In the culinary sector, service quality and cleanliness standards play critical roles in shaping consumer perception and enhancing product value. Through the SERVQUAL framework, Tjiptono (2014) explains that service quality comprises reliability, responsiveness, assurance, empathy, and tangibles. Kotler and Keller (2016) also emphasize that consistent service delivery strengthens customer value. Wijaya (2022) found that business hygiene influences customer purchasing intentions, while Wibowo (2021) highlights the importance of sanitation standards in ensuring product safety and minimizing operational risks.

2.5 Training and Capacity Development for MSMEs

Training is a fundamental mechanism for improving managerial skills, product quality, and innovation capability. Dessler (2015) outlines that effective training should include needs assessment, relevant curriculum content, appropriate delivery methods, and post-training support. Empirical work by Fernandez and Shaw (2023) shows that structured training can significantly enhance MSME innovation. Noe (2021) argues that context-based training tends to outperform generic programs, while Chowdhury et al. (2022) demonstrate that combining training with continuous mentoring improves service quality and operational management among MSMEs.

2.6 Previous Studies and Research Gaps

Existing studies on MSMEs in Indonesia have focused largely on digital marketing (Yuliana, 2021), access to capital (Indrawati, 2020), and business development strategies (Ginting, 2020). However, several gaps remain unaddressed:

1. Limited research examining creativity-oriented and managerial training in the specific context of Palangka Raya;
2. A lack of integrated training models that combine curriculum design, delivery methods, and post-training support;
3. The dominance of quantitative approaches despite the need for qualitative exploration of MSME training needs; and
4. The absence of studies integrating theories of innovation, product quality, management, service, and training into a comprehensive conceptual framework.

This research addresses these gaps by developing a training model grounded in in-depth qualitative findings and tailored to the local characteristics of MSMEs in Palangka Raya.

3. RESEARCH METHODS

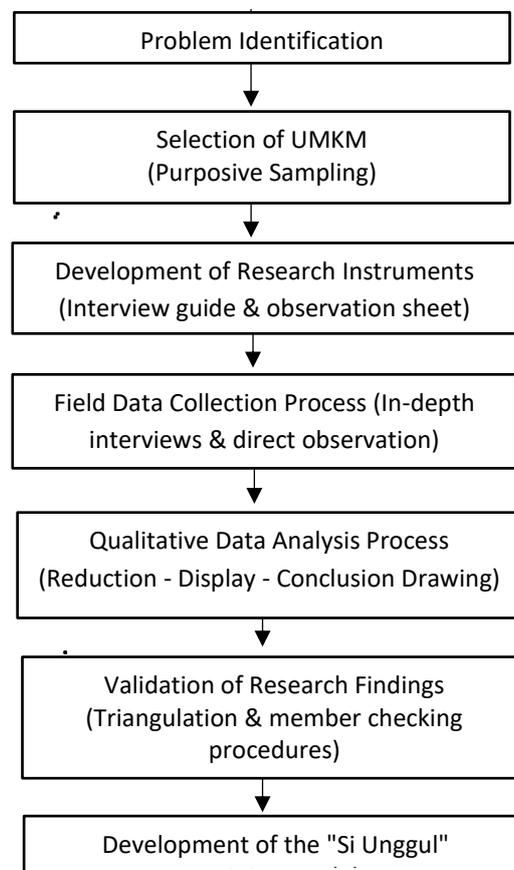
This study employed a descriptive qualitative approach to explore the actual conditions of MSMEs in relation to managerial capabilities, product innovation, service quality, business hygiene, and context-specific training needs. This approach was selected because it enables an in-depth and naturalistic understanding of the phenomenon through the real experiences of business owners. Creswell (2016) explains that qualitative research is appropriate when researchers aim to explore meaning, processes, and participants' lived experiences, while Yin

(2018) emphasizes that this approach is suitable for addressing *how* and *why* questions that require deep situational understanding.

The research was conducted in Palangka Raya City and focused on three culinary MSMEs: Café Edaizu, Warung Kopi Kong, and Cake Hope. These MSMEs were selected using a purposive sampling technique because each represents different characteristics in terms of product innovation, hygiene standards, service processes, and managerial structure, allowing the study to capture a comprehensive picture of local MSME conditions. Data collection took place from November to December 2025, a period representing normal business operations without the influence of holiday seasons. This timeframe was chosen to obtain stable and representative data and coincided with the local government's MSME development programs, increasing the relevance of the study to ongoing capacity-building efforts.

Data were gathered through two primary techniques: in-depth interviews and direct observations. Semi-structured interviews were conducted with the owners or managers of each MSME to explore their perspectives on managerial processes, product innovation, operational SOPs, cleanliness practices, customer service, and decision-making. Direct observations were carried out to validate the alignment between respondents' statements and their actual business practices. According to Miles, Huberman, and Saldaña (2014), the combination of interview and observational data enhances the richness, credibility, and validity of qualitative findings.

The research process followed a systematic sequence from instrument preparation, data collection, and data analysis, to the development of the final training model. The overall methodological flow is illustrated in the following diagram:



After the data were collected, the analysis was carried out using the interactive model of Miles, Huberman, and Saldaña (2014), which consists of data reduction, data display, and conclusion drawing and verification. Data reduction involved selecting and categorizing information based on key themes such as product innovation, hygiene practices, operational SOPs, service management, and managerial capability. The reduced data were then presented in the form of narrative descriptions, tables, and thematic summaries to facilitate interpretation. The final stage, which includes verifying and interpreting the findings, was used to develop a training model tailored to the specific needs of local MSMEs.

To strengthen data validity, this study employed both technique and source triangulation by comparing interview results with field observations and cross-checking findings across the three MSMEs. Member checking was also conducted by reconfirming key findings with the respondents to ensure the accuracy of the information. All research procedures were carried out in accordance with ethical standards, ensuring the confidentiality of participants' identities and information.

The characteristics of the MSMEs involved in this study are presented in the following table to provide an overview of the business profiles included in the research.

Table 1. Karakteristik UMKM Responden

MSME Name	Type of Business	Year Established	Number of Employees	Key Characteristics (Interview Results)	Reason for Selection
Café Edaizu	Coffee shop	2024	11 employees	Good service quality, but lacks written SOPs. Product innovation remains limited.	Represents MSMEs with fairly good service quality but with undocumented managerial structures.
Warung Kopi Kong	Coffee and beverage shop	2023	8 employees	Informal and flexible service, minimal innovation, and no documented quality standards.	Represents MSMEs with low innovation and high need for managerial training.
Cake Hope	Bakery dan pastry	2022	12 employees	Consistent and innovative, has good cleanliness standards, and participates in external training.	Represents MSMEs with high innovation, serving as a benchmark for the training model.

4. RESULTS AND DISCUSSION

The findings obtained from in-depth interviews with three MSME actors in Palangka Raya City Café Edaizu, Warung Kopi Kong, and Cake Hope indicate that the main challenges faced by these businesses are related to product quality, managerial capability, and business innovation. These findings are consistent with the Strategic Plan (Renstra) of the Office of Cooperatives,

Small and Medium Enterprises of Palangka Raya City (2018–2023), which states that the competitiveness of MSME products remains weak due to limitations in quality, innovation, and business management. Thus, the empirical evidence from fieldwork reinforces the urgency of developing a training model that is relevant to local conditions.

From the managerial and service aspects, all three MSMEs view customer service as a crucial element for business sustainability. However, Café Edaizu and Warung Kopi Kong still rely on informal, experience-based service practices without written SOPs. Service delivery is based on the owners' instructions and daily routines, which may lead to inconsistencies as the business grows or when employee turnover occurs. In contrast, Cake Hope demonstrates more organized and professional management, although its operational documentation is not yet fully systematic. These findings indicate that managerial abilities among MSMEs remain limited, highlighting the need for training on SOP development, role division, and basic data-driven decision-making.

Regarding product quality and creativity, there is notable variation among the three MSMEs. Café Edaizu maintains a relatively stable coffee quality, yet its product innovation remains limited. Warung Kopi Kong maintains quality informally without written standards, resulting in inconsistent product outcomes. Meanwhile, Cake Hope exhibits the highest level of creativity, supported by the owner's active participation in training programs such as baking, decoration, and packaging. These differences show that product innovation and quality are strongly influenced by access to training and the owner's knowledge capacity. This aligns with reports from the Office of Trade, Cooperatives, SMEs, and Industry of Palangka Raya City, which emphasize that improving MSME product quality requires continuous innovation, proper sanitation, and clear quality standards.

Cleanliness and sanitation also emerged as important findings. Café Edaizu and Warung Kopi Kong maintain cleanliness based on personal awareness without formal procedures, which may lead to inconsistency, particularly during peak hours. In contrast, Cake Hope applies stricter hygiene standards due to the nature of its production processes. This variation further underscores the need for hygiene and sanitation training as part of the training model, considering that cleanliness is directly related to perceived product quality and customer trust.

Differences were also observed in patterns of decision-making. Café Edaizu tends to make careful, analytical decisions, though the process is time-consuming. Warung Kopi Kong makes decisions quickly but without data support or documentation. Cake Hope relies on simple sales data and market trends, although decision-making remains centralized under the owner. These variations demonstrate the need for training on basic data-driven decision-making, simple business planning, and market analysis—particularly segmentation, targeting, and positioning.

Compared with regional government data, these findings strengthen the conclusion that issues related to product quality, innovation, and management are not merely subjective perceptions of business owners but systemic problems recognized by local authorities. This reinforces the need for a comprehensive, applicable, and context-specific training model.

Overall, the findings reveal capability gaps between MSMEs with access to training and those without. Cake Hope, as an MSME actively engaged in external training programs, demonstrates better management, higher product innovation, and more consistent hygiene practices than the other two businesses. These findings support the research objective of designing a training model that enhances product creativity and managerial capability among MSMEs in Palangka Raya.

The SI UNGGUL training model was then designed based on these needs using a **Blended Training Model**, combining classroom learning, hands-on practice, and field mentoring. The training is conducted in stages, starting with conceptual understanding related to business management, quality standards, and simple technology adoption. This is followed by applied practice such as SOP development, production flow improvement, product innovation, and packaging development. The final stage involves field mentoring to ensure real implementation

of the acquired knowledge. Program implementation may involve collaboration among academics, industry practitioners, and government agencies responsible for MSME development. Through this approach, SI UNGGUL is expected to strengthen managerial capability, product quality, and technological adaptability, enabling MSMEs to compete more effectively in a dynamic and competitive market.

Table 2. Summary of Research Findings on Three MSMEs in Palangka Raya City

Aspek	Edaizu	Kopi Kong	Cake Hope
Managerial	Manages the business informally; does not have written SOPs. Decisions are made through internal discussions, but the process is slow due to lengthy analysis.	Does not have SOPs; customer service and operational activities rely on direct instructions from the owner. Decisions are made quickly but without documentation.	More structured; has a simple workflow. Some managerial practices are applied consistently.
Customer Service	Customer service is fairly good; employees rely on habitual routines.	Customer service is spontaneous and simple; no standardized service procedures.	Customer service is more organized; the owner provides specific guidance regarding customer handling.
Product Quality & Consistency	Coffee quality is stable and includes new product innovations for each menu item.	Product quality is simple and inconsistent; no written quality standards.	Product quality is stable; high level of innovation because the owner actively participates in training.
Product Creativity	Product variations continue to develop.	Low; product variations remain the same with minimal innovation.	High; actively creates new menu items and participates in training related to baking, decorating, and packaging.
Cleanliness	Cleanliness is well-maintained based on SOP.	Cleanliness is spontaneous and not structured.	Has strict cleanliness standards due to the requirements of baking operations; more systematic.
Decision-Making	Analytical but no formal documentation.	Fast, but entirely intuitive and not data-based.	Based on sales data and trends; still dependent on the owner.
Access to Training	Minimal training; knowledge relies heavily on experience.	Has never participated in any training.	Frequently attends training; noticeable improvement in capacity.
Main Training Needs	Operational SOPs, product innovation, hygiene standards, basic management.	SOPs for service, basic cleanliness, quality standards.	Advanced operational management, strategy, marketing, and further product development.

CONCLUSION

This study aimed to design the *Si Unggul* training model as a strategic effort to enhance product creativity and managerial capability among MSMEs in Palangka Raya City. The findings obtained from in-depth interviews with three MSME actors—Café Edaizu, Warung Kopi Kong, and Cake Hope—indicate that managerial capacity, product creativity, quality consistency, and hygiene standards remain the primary challenges constraining business development. Most MSMEs do not yet possess documented SOPs, manage operations systematically, or apply data-based decision-making processes. Although one of the MSMEs demonstrated better performance due to previous training participation, a noticeable capability gap persists among the three businesses.

The study also confirms that product quality and innovation are strongly influenced by access to training and the owners' ability to understand market dynamics. These findings align with local government priorities emphasizing the need to strengthen MSME competitiveness through targeted training and continuous mentoring. Based on this understanding, the study proposes the *Si Unggul* model, developed using a blended training approach that integrates classroom learning, hands-on practice, and field mentoring. This design is considered highly relevant to the context of MSMEs in Palangka Raya, as it combines conceptual managerial reinforcement with practical application that can be immediately implemented in daily operations.

The resulting model offers a comprehensive and applicable framework for sustainable MSME capacity building. Beyond enhancing product creativity, the model includes improvements in managerial practices, SOP development, hygiene standards, the use of simple technology, and basic marketing strategies. Consequently, the *Si Unggul* training model is expected to assist MSME actors in improving service quality, strengthening market positioning, and adapting to increasingly competitive business environments.

This study is limited by its small number of participants and its use of a descriptive qualitative approach. Future research is encouraged to evaluate the effectiveness of the model through experimental or quasi-experimental designs with larger participant groups, develop digital learning modules, or apply the model to other MSME sectors to assess its broader applicability. Overall, this study contributes both practically and theoretically by providing a structured training model that may serve as a reference for local governments, training institutions, and academics in developing MSME capacity-building strategies in Palangka Raya and surrounding areas.

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