

FACTORS AFFECTING THE DEVELOPMENT OF UMKM IN KLAMBIR LIMA KEBUN VILLAGE HAMPARAN PERAK DISTRICT DELI SERDANG

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Abstract: *This study aims to determine the factors that affect the development of UMKM in Klambir Lima Kebun Village, Hamparan Perak District, Deli Serdang Regency. This research is a field research, where quantitative primary data through an instrument in the form of a questionnaire is taken directly from UMKM actors who are the people of Klambir Lima Kebun Village. The sampling technique used is simple random sampling where sampling of members of a population is carried out randomly without regard to the strata present in that population. A sample of 30 respondents was taken. The results of data processing and factor analysis using SPSS version 25 show that the factors that affect the development of UMKM include: the quality of human resources, production systems, financial management systems, marketing strategies and partnership systems. Partially and simultaneously the quality of human resources, production systems, financial management systems, marketing strategies and partnership systems have a positive and significant effect on the development of UMKM with a percentage contribution of 99.6%.*

Keywords: *UMKM Development, Human Resource Quality, Production System, Financial Processing System, Marketing Strategy and Partnership System*

Introduction

History shows that Micro, Small and Medium Enterprises (UMKM) in Indonesia still exist and develop with the economic crisis that has hit since 1997, even becoming the savior of the nation's economic recovery because of their ability to make a significant contribution to Gross Domestic Product (GDP) and job opportunities (Murti et al., 2015). Small businesses play the role of a strategic force and have an important position, not only in terms of labor absorption and public welfare, but also to stabilize the problem of social inequality. The products produced by small businesses are generally also based on the needs of the wider community and have comparative advantages. Micro, Small and Medium Enterprises (UMKM) play a very vital role in economic development and growth. Because in addition to contributing to the development and growth of the national economy, it can also absorb a large number of workers.

The government in an effort to reduce unemployment hopes for the role of UMKM that are considered capable in dealing with these problems. UMKM can create their own jobs that can reduce unemployment and will be related to reducing the amount of poverty and income equality (Kusuma, 2014). Given the huge role of UMKM in the national economy, efforts to improve the performance of UMKM are absolutely necessary to be carried out in order to maintain national economic stability, one of which is through the application of an accounting

information system (Indralesmana & Suaryana, 2014). UMKM or micro, small and medium enterprises are a business that is widely managed by the people of Indonesia. Micro, small and medium enterprises or UMKM are small-scale businesses. Can be run by individuals, households, to business entities. Basically, from its characteristics to its meaning, this microenterprise can be seen in (Law Number 20 of 2008, n.d.). In the law, the government has fully stipulated the business.

UMKM are also believed to have high economic resilience so that they can be a support for financial system and economic stability. Thanks to the stimulus to the business world, the condition of UMKM, which had experienced a decline at the beginning of the pandemic in 2020 with a contribution to PDB of 37.3% and labor absorption of 73%, can quickly increase again in 2021 until its contribution to PDB becomes 61.9% with labor absorption reaching 97%. Based on BPS data, UMKM make a major contribution to the national economy. However, UMKM still face obstacles to develop their business to be more advanced. Moreover, UMKM are located in several villages, one of which is Klambir Lima Kebun Village, Hamparan Perak District, Deli Serdang Regency. Klambir Lima Kebun Village has the potential to expand UMKM. The average community in the village has the expertise to process the potential of the village into products that can be sold.

The development of UMKM must be carried out in line with the enactment of the ASEAN Economic Community (MEA), so that UMKM can compete in the MEA. However, the development of UMKM is not something that is easy to do. There are obstacles that occur in developing and these obstacles are generally internal constraints. The obstacles faced include the poor quality of human resources, a production system that is not optimal, a financial processing system that is still not good, the ability of UMKM marketing strategies is limited and partnerships that are not yet conducive. Seeing the large contribution of UMKM in the regional economy, the Deli Serdang Regency government continues to strive to improve the welfare of the community through the provision of various business opportunities in the UMKM sector. Therefore, the development of UMKM is one of the main tasks for the government, the private sector and the entire community.

Literature Review

Micro, Small and Medium Enterprises (UMKM)

Micro, Small and Medium Enterprises (UMKM) have different definitions in each literature according to some agencies or institutions and even laws. In accordance (Law Number 20 of 2008, n.d.) with the matter of Micro, Small and Medium Enterprises, UMKM are defined, as follows:

1. Micro enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro Enterprises as regulated in this Law.
2. Small Business is a productive economic business that independent which is carried out by an individual or business entity that is not a subsidiary or not a branch of a company that is owned, controlled or is part either directly or indirectly of a Medium Enterprise or Large Business that meets the criteria for Small Business as referred to in this Law.
3. Medium Enterprises are productive economic businesses that independent which are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled or are part either directly or indirectly with Small Businesses or Large Enterprises with the amount of net worth or annual sales proceeds as regulated in this Law

UMKM Development

Perkembangan according to the big dictionary Indonesian is a process of the way of developing, while developing is a command to always strive in development gradually and regularly that leads to the desired target. Development can be interpreted as an effort to improve the conceptual, theoretical, technical and moral abilities of individuals according to the needs of the job or position through education and training. The development of UMKM is more directed to become competitive economic actors through strengthening entrepreneurship and increasing productivity supported by efforts to increase adaptation to market needs, utilization of innovation results and application of technology (Afifuddin, 2010). Business development is any effort to improve the implementation of current and future work, by providing information affecting attitudes or adding skills (Hafsah, 2004). Furthermore, as an effort to develop UMKM, synergy between the government, the business world and the community is needed.

1. The Government and Local Government facilitate business development in the fields of:
 - a) production and processing;
 - b) marketing;
 - c) human resources;
 - d) Design and Technology
2. The business world and society participate actively in making developments.

Quality of Human Resources

The quality of human resources, of course, there are benchmarks that we can use as a benchmark or comparison so that we can know and determine quality human beings. With these limits and benchmarks, it can be used as a basis in determining a person's personal qualities. Human resources must be managed very well in order to improve the effectiveness and efficiency of the organization. While the quality of human resources consists of two syllables including the word quality which is generally the level of good or bad or the level or degree of something. The definition of quality according to quality (Sedarmayanti, 2014) is a measure that states how far it has been met with various requirements, specifications, and expectations.

According to (Ndraha, 1997) in (Pratiwi, 2013) arguing that quality human resources are human resources that are able to create not only comparative value, but also competitive value-generative-innovative by using the highest energy such as *intelligence*, *creativity* and *imagination*, no longer solely using crude energy such as raw materials, land, water, muscle energy, and so on.

Production System

Production according to (Heizer & Rander, 2015) is an activity that converts inputs into outputs. Economic activity is usually expressed in the production function. A process that continuously over time repeats and over again that is efficient so that it becomes an output that meets predetermined design specifications based on the wishes of the market. Whereas a system can be defined as a series of two or more interconnected components, which interact to achieve a goal. Most systems are composed of smaller subsystems that support larger systems (Romney & Steinbart, 2015). As for the notion of production, it is the creation or addition of benefits. Whether the benefits is in the form, time, place or a combination of these benefits. The production system according to Noviyasari (2018) has several characteristics, as follows:

1. Have components or elements that are interrelated with each other and form a whole whole. This relates to the structural components that build that production system.
2. It has an underlying goal of its existence, namely producing quality products (goods and / or services) that can be sold at competitive prices in the market.
3. Have activities in the form of the process of transforming added value inputs into outputs effectively and efficiently.

4. Has a mechanism that controls its operation, in the form of optimizing the allocation of resources.

Financial Management System

According to (Anwar, 2019) financial management, it is a discipline that studies the management of company finances both in terms of finding sources of funds, allocating funds, and sharing company profits. Meanwhile, according to (Purba et al, 2021) financial management or financial management, it is planning, organizing, directing, and controlling financial activities such as procurement and utilization of business funds. According to (Purba et al, 2021) Financial management for Small and Medium Enterprises (UKM) will encourage UKM to develop with the right manager, here are tips that can be done, including:

1. Separating personal money and UKM businesses in their daily lives sometimes mixes business money and personal money, and it is a mistake that is often made a lot. Especially if the personal expenditure is taken from business money.
2. Plan the use of money The use of money must be planned properly, even though you already have a large capital. Sales and revenue targets should be in line with the spending plan. Do not spend money if it does not fit the capital plan, expenses should provide benefits. Do a profit and loss analysis.
3. Make financial records Recording important business income and expenses, a complete record will show where the money is used. Recording is carried out in the cash book that records the entry and exit of money. Match the balance with the records every day. In addition to using books, financial recording using financial software will make the recording process easier.
4. Turn cash flow faster Efforts don't just manage profits, turning cash flow needs to be a concern. In addition, financial management is also how to manage receivables, and inventory.
5. Set Business Targets and Evaluations As UMKM actors, personal needs can be a benchmark in determining the amount of salary received from the business and *turnover* targets that must be achieved in the future. Periodic business evaluation is needed in analyzing whether business operational activities are considered appropriate or what improvements are needed to improve business efficiency.

Marketing Strategy

According to (Fandy, 2016) marketing strategy is a fundamental tool designed or planned to achieve the goals of an enterprise by developing continuous competitive advantage. According to (Kotler & Keller, 2017), marketing strategy is a mindset that will be used to achieve marketing goals in a company, it can be about specific strategies for the target market, position setting, marketing *mix*, and the amount of marketing expenditure. (Kotler & Armstrong, 2018) identify the total market and then divide it into smaller segments, select the most promising segments and thus focus on serving and satisfying customers in this segment. Meanwhile, according to (Amen, 2021) marketing strategy, it is one of the main efficient strategies adopted by UKM to improve performance. According to (Kotler & Armstrong, 2018) the related defining marketing strategy, as follows:

1. Marketing mix. Tactical marketing tools: "products, prices, places, and promotions" that the company combines to produce the desired response in the target market.
2. Market segmentation. Dividing the market into different groups of buyers who have different needs, characteristics, or behaviors and who may require a separate marketing strategy or mix.

3. Market segments. A group of consumers who respond in the same way to a certain set of marketing efforts.
4. Market targeting. Evaluate the attractiveness of each market segment and select one or more segments to serve.
5. Differentiation. Actually differentiate market offerings to create superior customer value.
6. Positioning. Arranging for a product to occupy a clear, distinctive and desirable place relative to competing products in the minds of the target consumer.

Partnership System

Partnership is known as mutual cooperation or cooperation from various parties, both in groups and individually. Partnership is a formal mutually beneficial business cooperation between small entrepreneurs and medium or large entrepreneurs to achieve a common goal based on mutual principle agreements. For small entrepreneurs the partnership is considered profitable because it can benefit from the market and entrepreneurship controlled by large businesses. In cooperation, there must be a mission, vision, goals and agreements that have been made together and share the risks and benefits obtained by each partnership actor. According to (Law No. 9 of 1995, n.d.) partnership it is a business cooperation between small businesses and medium enterprises or large businesses accompanied by coaching and development by medium or large businesses by paying attention to the principles of mutual need, mutual strengthening and mutual benefit.

Partnership is a business strategy carried out by two or more parties within a certain period of time to achieve mutual benefits with the principle of mutual need and mutual rearing(Hafsah, 2004). Partnership is known as mutual cooperation or cooperation from various parties, both individually and in groups. According to (Notoatmodjo, 2003) partnership is a formal cooperation between individuals, groups or organizations to achieve a specific task or goal. According to (Hafsah, 2004) the objectives to be achieved in the implementation of the partnership, as follows:

1. Increase the income of small businesses and communities.
2. Increase the acquisition of added value for partnership actors.

Conceptual Framework

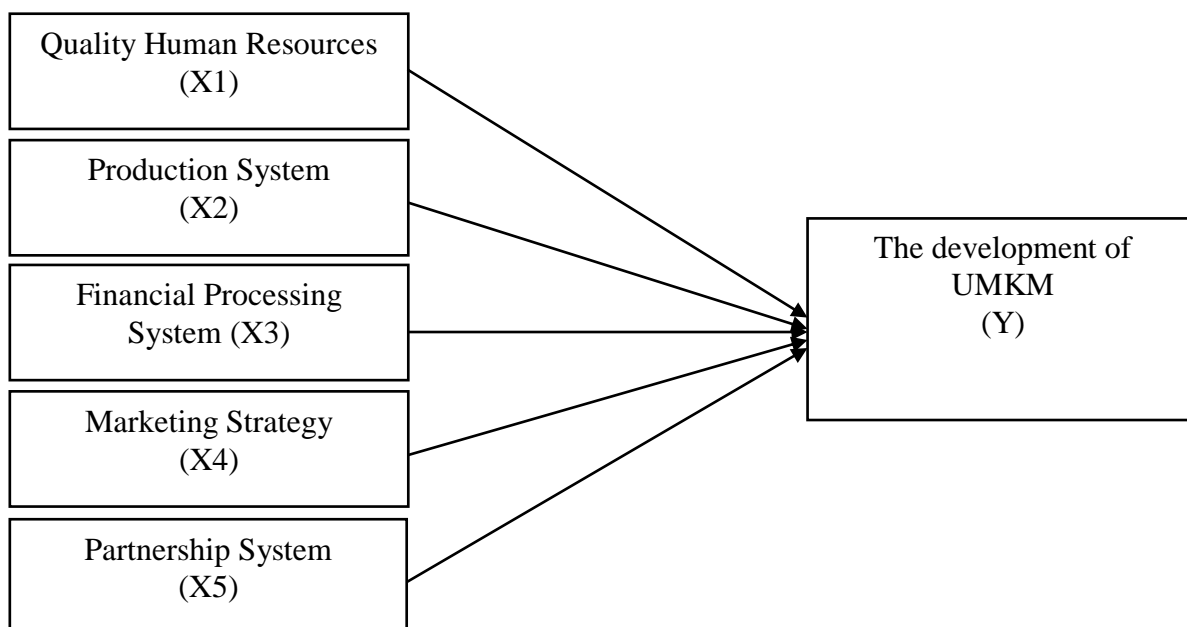


Figure 1. Conceptual Framework

Source: *Data Processed, 2023.*

Method

Research Design

The object of this study is the people of Klambir Lima Kebun Village, Hamparan Perak District, Deli Serdang Regency, who are UMKM actors. The research method used in this study is a descriptive method with a quantitative approach. A descriptive approach is a study carried out to find out the existence of the value of a self-contained variable, either one or more variables (independent) without making comparisons or linking with other variables. Quantitative research methods can be interpreted as research methods based on the philosophy of positivism, used to research certain populations or samples, sampling techniques are generally carried out randomly, data collection using research instruments, data analysis is quantitative /statistical with the aim of testing predetermined hypotheses (Sugiyono, 2019).

Data Collection Methods

The data collection method used in this study was to use the method the sample used is *simple random sampling*, according to (Sugiyono, 2019) it is said to be "*simple* because the sampling of members of the population is carried out randomly without regard to the strata present in that population".

The sample in this study was 30 respondents who were UMKM actors in Klambir Lima Kebun Village, Hamparan Perak District, Deli Serdang Regency. In addition, this method of determining samples is able to freely, if there are people who are willing to fill out questionnaires and meet the criteria needed by researchers, they will be used as research samples.

Data Analysis Methods

The models used in this study are multiple linear regression analysis, classical assumption tests and hypothesis tests that were processed using the help of the *Statistical Program for Social Science* (SPSS) version 25 application. As for the model used in this study, it is as follows:

$$Y = a + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \varepsilon$$

Information:

- Y = Development of UMKM
- a = Constant Number
- $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ = Coefficient / Line Direction
- X1 = Quality of Human Resources
- X2 = Production System
- X3 = Financial Processing System
- X4 = Marketing Strategy
- X5 = Partnership System
- ε = *Standard Error*

Result and Discussion

Multiple Linear Regression Analysis

Table 1. Multiple Linear Regression Analysis Test Results

Type	Coefficients ^a			
	Unstandardized Coefficients	Standardized Coefficients	t	Sig.

		B	Std. Error	Beta		
1	(Constant)	10,546	5,413		1,948	0,063
	Quality of Human Resources	0.133	0.022	0.114	6.045	0.000
	Production System	0.532	0.204	0.480	2.615	0.015
	Financial Processing System	0.449	0.042	0.401	10.692	0.000
	Marketing Strategy	0.630	0.043	0.525	14.527	0.000
	Partnership System	0.615	0.225	0.565	2.732	0.012

a. Dependent Variable: Development of UMKM

Source: Data processed with SPSS v.25, 2023

Based on Table 1, the results of multiple linear regression analysis are in the column of regression coefficients. The standard of multiple linear regression equations can be obtained results, as follows:

$$Y = 10,546 + 0,133X1 + 0,532X2 + 0,449X3 + 0,630X4 + 0,615X5 + \varepsilon$$

It is known that the value of the constant is 10.546. This value can be interpreted if the Quality of Human Resources (X1), Production System (X2), Financial Processing System (X3), Marketing Strategy (X4) and Partnership System (X5) affect the dependent variable of UMKM Development (Y), then the value of the dependent variable of UMKM Development is 10,546.

It is known that the value of the regression coefficient of the Human Resource Quality variable (X1) is 0.133, which is a positive value. This means that when the Quality of Human Resources (X1) increases by 1 unit, the increase in UMKM Development (Y) tends to increase by 0.133.

It is known that the value of the regression coefficient of the Production System variable (X2) is 0.532, which is a positive value. This means that when the Production System (X2) increases by 1 unit, the increase in UMKM Development (Y) tends to increase by 0.532.

It is known that the value of the regression coefficient of the Financial Processing System variable (X3) is 0.449, which is a positive value. This means that when the Financial Processing System (X3) increases by 1 unit, the increase in UMKM Development (Y) tends to increase by 0.449.

It is known that the value of the regression coefficient of the Marketing Strategy variable (X4) is 0.630, which is a positive value. This means that when the Marketing Strategy (X4) increases by 1 unit, the increase in UMKM Development (Y) tends to increase by 0.630.

It is known that the value of the regression coefficient of the Partnership System variable (X5) is 0.615, which is a positive value. This means that when the Partnership System (X5) increases by 1 unit, the increase in UMKM Development (Y) tends to increase by 0.615.

Test of Klasik Assumptions

Normality Test

Table 2. Normality Test Results
One-Sample Kolmogorov-Smirnov Test

The development of
 UMKM

N	30
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Normal Parameters ^{a,b}	Mean	21.4333
	Std. Deviation	4.50045
	Most Extreme Differences	
Most Extreme Differences	Absolute	0.111
	Positive	0.111
	Negative	-0.083
Test Statistics		0.111
Asymp. Sig. (2-tailed)		0.200 ^{c,d}

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.

Source: Data processed with SPSS v.25, 2023

Based on Table 2, it can be seen that the statistical results of the Kolmogorov-Smirnov test of 0.200 are greater than 0.05, so it can be stated that all data are distributed normally. The next normality test is the normal *probability plot* and *histogram* which is a comparison of the actual cumulative distribution of the data with the normal cumulative distribution. The results of this test can be seen, as follows:

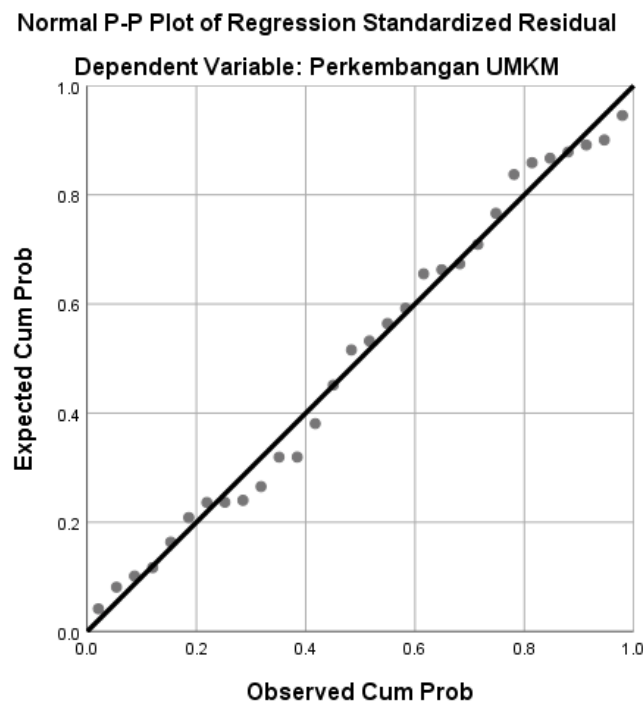


Figure 2. Normal P-P Plot Test Results

Source: Data Processed With SPSS v. 25, 2023

Based on Figure 2, it shows that the distribution of data is around the diagonal line and is not scattered far from the diagonal line, so that the assumption of normality can be met by the test and the test can be continued to the next stage, namely the histogram, as follows:

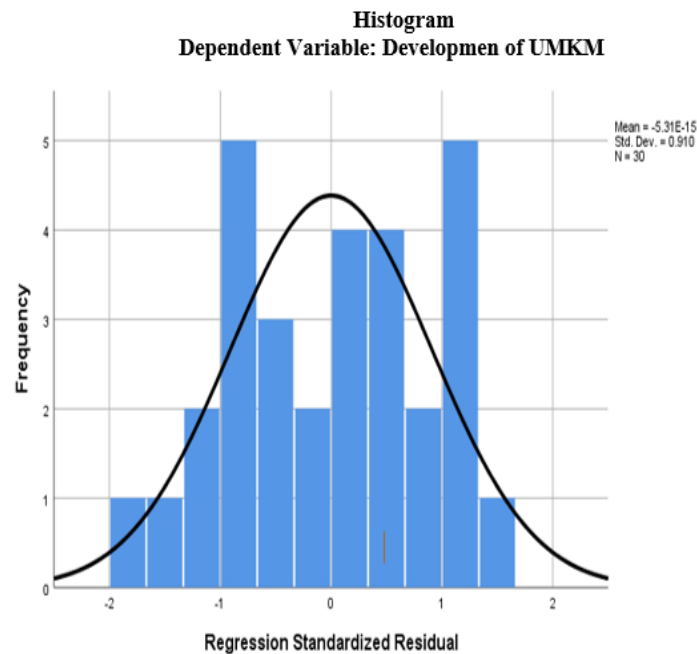


Figure 3. Histogram Test Results
 Source: Data processed with SPSS v.25, 2023

Based on Figure 3, it shows that the shape of the histogram describes normally or close to normal distributed data because it forms a *bell shaped shape*, so that the assumption of normality in this study can be met.

Multicholnearity Test

Table 3. Multicholnearity Test Results

Type	Coefficients ^a					Collinearity Statistics	
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIFs
	B	Std. Error	Beta				
1 (Constant)	10.546	5.413		1.948	0.063		
Quality of Human Resources	0.133	0.022	0.114	6.045	0.000	0.455	2.200
Production System	0.532	0.204	0.480	2.615	0.015	0.746	1.341

Financial Processing System	0.449	0.042	0.401	10.692	0.000	0.116	8.621
Marketing Strategy	0.630	0.043	0.525	14.527	0.000	0.125	8.004
Partnership System	0.615	0.225	0.565	2.732	0.012	0.911	1.098

a. Dependent Variable: Development of UMKM

Source: Data processed with SPSS v.25, 2023

Based on Table 3., it can be seen that the results of the multicollinearity test above show that all independent variables do not have a *tolerance* value of more than 0.10 which means that there is no correlation between independent variables whose value is more than 95%, while the value of *Variance Inflation Factor* (VIF) also shows the same thing, namely that there are no independent variables that have a VIF value of approximately 10. So it can be concluded that the regression model used in this study did not occur multicollinearity.

Heteroskedasticity Test

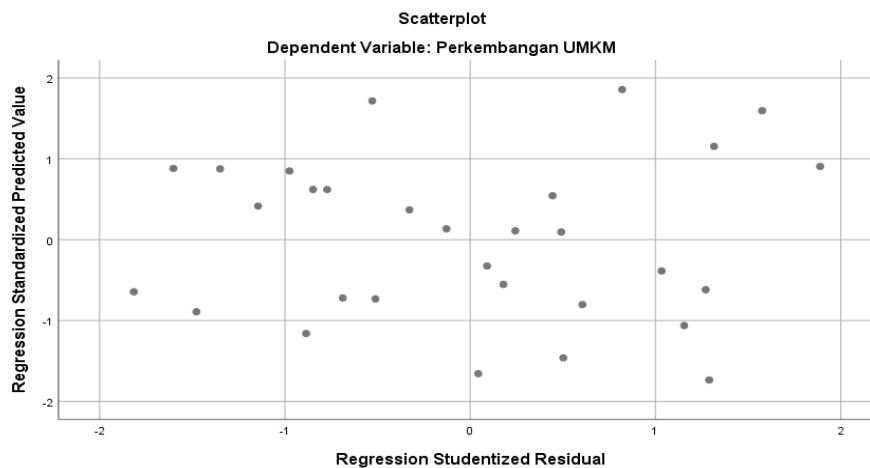


Figure 4. Scatterplot Test Results

Source: Data processed with SPSS v.25, 2023

Based on Figure 4., showing the results of the chart analysis, namely the scatterplot chart, the points formed must be spread randomly, scattered both above and below the number 0 on the Y axis.

Hypothesis Test Partial Test

Table 4. Partial Test Results (t-test)

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Type		B	Std. Error	Beta		
1	(Constant)	10.546	5.413		1.948	0.063
	Quality of Human Resources	0.133	0.022	0.114	6.045	0.000
	Production System	0.532	0.204	0.480	2.615	0.015

Financial System	Processing	0.449	0.042	0.401	10.692	0.000
Marketing Strategy		0.630	0.043	0.525	14.527	0.000
Partnership System		0.615	0.225	0.565	2.732	0.012

a. Dependent Variable: Development of UMKM

Source: Data processed with SPSS v.25, 2023

Based on Table 4, it can be seen that $t_{test} > t_{value}$ of the Human Resource Quality Variable (X1) $>$ from the t_{table} is $6.045 > 1.697$ and the $\alpha < sig$ is $0.000 < 0.05$, meaning that the Human Resource Quality variable (X1) has a positive and significant effect on the UMKM Development variable (Y) in the Klambir Lima Kebun Village Community, Hamparan Perak District, Deli Serdang Regency.

It is known that the $t_{calculated} > t_{value}$ of the Production System variable (X2) $>$ from the t_{table} , namely $2.615 > 1,697$ and the $\alpha < sig$ of $0.015 < 0.05$, meaning that the Production System Quality variable (X2) has a positive and significant effect on the UMKM Development variable (Y) in the Klambir Lima Kebun Village Community, Hamparan Perak District, Deli Serdang Regency.

It is known that the $t_{calculated} > t_{value}$ of the Financial Processing System variable (X3) $>$ from the t_{table} , namely $10,692 > 1,697$ and the $\alpha < sig$ of $0.000 < 0.05$, meaning that the Financial Processing System variable (X3) has a positive and significant effect on the UMKM Development variable (Y) in the Klambir Lima Kebun Village Community, Hamparan Perak District, Deli Serdang Regency.

It is known that the $t_{calculated} > t_{value}$ of the Marketing Strategy variable (X4) $>$ from the t_{table} , namely $14,527 > 1,697$ and the $\alpha < sig$ of $0.000 < 0.05$, meaning that the Marketing Strategy variable (X4) has a positive and significant effect on the UMKM Development variable (Y) in the Klambir Lima Kebun Village Community, Hamparan Perak District, Deli Serdang Regency.

It is known that the $t_{calculated} > t_{value}$ of the Partnership System variable (X5) $>$ from the t_{table} is $2.732 > 1,697$ and the $\alpha < sig$ is $0.012 < 0.05$, meaning that the Partnership System variable (X5) has a positive and significant effect on the UMKM Development variable (Y) in the Klambir Lima Kebun Village Community, Hamparan Perak District, Deli Serdang Regency.

Simultaneous Test

Table 5. Simultaneous Test Results (F Test)

ANOVA^a

Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	585.070	5	117.014	1222.761	0.000 ^b
	Residual	2.297	24	0.096		
	Total	587.367	29			

a. Dependent Variable: Development of UMKM

b. Predictors: (Constant), Partnership System, Marketing Strategy, Production System, Human Resource Quality, Financial Processing System

Source: Data processed with SPSS v.25, 2023

Based on Table 5., it can be seen that the results show that $F_{counts} >$ from F_{table} , which is $1222,761 > 2.56$, while $sig. <$ of $alpha$ which is $0.000 < 0.05$, shows that simultaneously the variables of Human Resource Quality (X1), Production System (X2), Financial Processing System (X3), Marketing Strategy (X4) and Partnership System (X5) has a positive and significant effect on the variable development of UMKM (Y) in the Community of Klambir Lima Kebun Village, Hamparan Perak District, Deli Serdang Regency.

Coefficient of Determination R^2

Table 6. Coefficient of Determination (R^2)

Type	R	R Square	Model Summary ^b	
			Adjusted R Square	Std. Error of the Estimate
1	0.998 ^a	0.996	0.995	0.30935

a. Predictors: (Constant), Partnership System, Marketing Strategy, Production System, Human Resource Quality, Financial Processing System

b. Dependent Variable: Development of UMKM

Source: Data processed with SPSS v.25, 2023

Based on Table 5., the number R^2 (*R Square*) was obtained at 0.996 or 99.6%. This shows that the Quality of Human Resources (X1), Production System (X2), Financial Processing System (X3), Marketing Strategy (X4) and Partnership System (X5) are significant to the variables of UMKM Development (Y) in the Klambir Village Community Five Gardens, Hamparan Perak District, Deli Serdang Regency 99.6% while the remaining 4% were described or influenced by other variables not studied in this study.

Conclusion

Effect of Human Resource Quality (X1) on UMKM Development

The results of this study explain that the Quality of Human Resources (X1) has a positive and significant influence on the development of UMKM (Y) in the community of Klambir Lima Kebun Village, Hamparan Perak District, Deli Serdang Regency. This can be seen from the analysis of multiple linear regression through a positive marked t test of 0.133 with a calculated t value of 6.045 with a table t value of 1.697, it is known that the t value is $t_{calculated} > t_{table}$ and a significant value of 0.000 ($sig. < 0.05$). This suggests that the proposed H1 hypothesis is tested and acceptable.

The results of this study are in line with the research conducted by (Ngarofah & Ismayanti, 2021) stating that the quality of human resources has a positive and significant effect on the development of UMKM. The better the quality of human resources, the more it will increase business development and vice versa, if the quality of human resources decreases, it will affect the development of a business. Without individuals who have expertise or components, it is impossible for the organization to achieve the goals.

Effect of Production System (X2) on UMKM Development

The results of this study explain that the Production System (X2) has a positive and significant influence on the development of UMKM (Y) in the community of Klambir Lima Kebun Village, Hampanan Perak District, Deli Serdang Regency. This can be seen from the analysis of multiple linear regression through a positive marked t test of 0.532 with a calculated t value of 2.615 with a table t value of 1.697, it is known that the t value is $t_{\text{calculated}} > t_{\text{table}}$ and a significant value of 0.015 (sig. < 0.05). This suggests that the proposed H2 hypothesis is tested and acceptable.

The results of this study are in line with the research conducted by (Hartono & Hartomo, 2014) stating that business development is more emphasized on the fulfillment of raw materials, marketing, production and capital. This production activity is carried out in order to determine the initial direction of an action to be carried out. UMKM, which are a business that has the potential for the development of the nation's economy, need to implement production management in the UMKM themselves, which is a process of converting raw materials into a desired product or service in accordance with the regulated planning. Every business aims to continue to develop and produce products and services that are needed by the community.

Effect of Financial Processing System (X3) on UMKM Development

The results of this study explain that the Financial Processing System (X3) has a positive and significant influence on the development of UMKM (Y) in the community of Klambir Lima Kebun Village, Hampanan Perak District, Deli Serdang Regency. This can be seen from the analysis of multiple linear regression through a positive marked t test of 0.449 with a calculated t value of 10.692 with a table t value of 1.697, it is known that the t value is $t_{\text{calculated}} > t_{\text{table}}$ and a significant value of 0.000 (sig. < 0.05). This suggests that the proposed H3 hypothesis is tested and acceptable.

The results of this study are in line with the research carried out by (Hartono & Hartomo, 2014). The implementation of good financial management is carried out in order to manage finances well and be able to review sources of income and expenses in the business. UMKM actors must have financial literacy in order to help UMKM manage financial resources properly.

Effect of Marketing Strategy (X4) on UMKM Development

The results of this study explain that the Marketing Strategy (X4) has a positive and significant influence on the development of UMKM (Y) in the community of Klambir Lima Kebun Village, Hampanan Perak District, Deli Serdang Regency. This can be seen from the analysis of multiple linear regression through a positive marked t test of 0.630 with a calculated t value of 14.527 with a table t value of 1.697, it is known that the t value is $t_{\text{calculated}} > t_{\text{table}}$ and a significant value of 0.000 (sig. < 0.05). This suggests that the proposed H4 hypothesis is tested and acceptable.

The results of this study are in line with the research carried out by (Zaenuri et al., 2022) that marketing strategies have a significant effect on business development. UMKM players must encourage this by making various good marketing strategies. UMKM players are expected to be able to better prepare various innovations in products, improve the quality of their human resources in various ways and innovations in marketing strategies through various digital media conveniences

Effect of Partnership System (X5) on UMKM Development

The results of this study explain that the Partnership System (X5) has a positive and significant influence on the Development of UMKM (Y) in the community of Klambir Lima Kebun Village, Hampanan Perak District, Deli Serdang Regency. This can be seen from the analysis of multiple linear regression through a positive marked t test of 0.615 with a calculated t value of 2.732 with a table t value of 1.697, it is known that the t value counts $> t_{\text{table}}$ and a

significant value of 0.012 (sig. < 0.05). This suggests that the proposed H5 hypothesis is tested and acceptable.

The results of this study are in line with the research conducted by (Cahyanti & Anjaningrum, 2017) a positive and significant influential factor is the partnership system. Improving the partnership system, whether partnerships with suppliers, governments, large entrepreneurs, financial institutions or centers can support other factors, so that the processing industry can develop rapidly.

Effect of Human Resource Quality (X1), Production System (X2), Financial Processing System (X3), Marketing Strategy (X4) and Partnership System (X5) on UMKM Development

The results of this study explain that the Quality of Human Resources (X1), Production System (X2), Financial Processing System (X3), Marketing Strategy (X4) and Partnership System (X5) have a positive and significant influence on the Development of UMKM (Y) in the community of Klambir Lima Kebun Village, Hamparan Perak District, Deli Serdang Regency. This can be seen from the multiple linear regression analysis through the F test showing $F_{count} > F_{table}$ which is 1222,761 > 2.56, while sig. < from α is 0.000 < 0.05. This suggests that the proposed H6 hypothesis is tested and acceptable.

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