

The Impact of Business Capacity-Building Training on MSMEs by the Surabaya Department of Cooperatives, Small and Medium Enterprises, and Trade from the Perspective of Al-Shatibi's *Maqashid Sharia*

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Abstract: Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in the national economy but continue to face challenges related to managerial capacity, financial management, and business development. To address these issues, the Department of Cooperatives, Micro, Small and Medium Enterprises, and Trade of Surabaya City organized a business capacity building training program for MSME actors. This study aims to analyze the implementation of the training program, identify its impact on MSME management and business sustainability, and examine these impacts through the perspective of *Maqashid Shariah* proposed by Abu Ishaq Al-Shatibi. This research employed a qualitative field study involving four MSME owners who participated in the 2025 training program. Data were collected through in-depth interviews, observations, and documentation, and analyzed using thematic analysis based on the dimensions of *Hifz al-Mal*, *Hifz al-'Aql*, and *Hifz an-Nafs*. The findings reveal that the training positively influenced business management practices and sustainability. From the perspective of *Hifz al-Mal*, participants improved financial management, cash flow control, and business asset protection. In terms of *Hifz al-'Aql*, the training enhanced managerial knowledge, business analysis skills, and digital marketing competencies. From the perspective of *Hifz an-Nafs*, it strengthened participants' confidence and supported business continuity. The study concludes that the training contributes to the realization of *maslahah* by improving both managerial capacity and business welfare. Strengthening post-training mentoring is recommended to ensure sustainable outcomes.

Keywords: MSMEs Training; Impact of Training; Empowerment of MSMEs; MSMEs; *Maqashid Shariah*

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Introduction

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in Indonesia's economy by contributing significantly to gross domestic product (GDP), creating employment opportunities, and strengthening economic resilience (Dwifanty et al., 2025). Despite their substantial contribution, many MSMEs continue to face challenges related to limited managerial capabilities, low digital literacy, inadequate financial management, and restricted access to business development opportunities (Nasution et al., 2024). These constraints often hinder business growth, competitiveness, and long-term sustainability.

To address these challenges, business capacity-building programs have become an important policy instrument for empowering MSMEs. Such programs aim to improve managerial competencies, financial literacy, marketing skills, and overall business performance. In Surabaya, the Department of Cooperatives, Micro, Small and Medium Enterprises, and Trade regularly organizes business capacity-building training programs to support the development of local MSMEs. These programs are expected to enhance business management practices and strengthen the competitiveness of MSME actors in an increasingly dynamic business environment.

Previous studies have generally evaluated MSME training programs from managerial, economic, or performance perspectives. While these studies have demonstrated the positive effects of training on business development, limited research has examined training outcomes through the perspective of Islamic economics, particularly *Maqashid Shariah* (Wibowo et al., 2026). As a result, the broader implications of training programs for human welfare and sustainable development remain insufficiently explored.

According to Abu Ishaq Al-Shatibi, *Maqashid Shariah* aims to promote human welfare (*maslahah*) through the preservation of essential aspects of life, including wealth (*hifz al-mal*), intellect (*hifz al-'aql*), and life (*hifz an-nafs*) (Nurwahidah et al., 2024). In the context of MSME development, these dimensions provide a comprehensive framework for assessing whether capacity-building programs contribute not only to business performance but also to the well-being of entrepreneurs and society. Therefore, evaluating training outcomes through *Maqashid Shariah* offers a broader understanding of the benefits generated by government empowerment programs.

This study focuses on MSME actors who participated in the 2025 business capacity-building training program organized by the Department of Cooperatives, Micro, Small and Medium Enterprises, and Trade of Surabaya City. The research seeks to analyze the implementation of the training program, identify its impact on business management and sustainability, and assess these impacts through the dimensions of *hifz al-mal*, *hifz al-'aql*, and *hifz an-nafs*.

The novelty of this study lies in its application of Al-Shatibi's *Maqashid Shariah* framework to evaluate a government-sponsored MSME training program. Unlike previous studies that mainly focus on economic and managerial outcomes, this research examines how business capacity-building training contributes to the realization of welfare (*maslahah*) among MSME actors (Putri, 2025). The findings are expected to enrich the literature on MSME empowerment and Islamic economics while providing practical insights for policymakers in designing more effective and sustainable training programs.

Research Method

This study employed a qualitative descriptive approach to examine the impact of the business capacity-building training program organized by the Department of Cooperatives, Micro, Small and Medium Enterprises, and Trade of Surabaya City. The research involved four MSME owners who participated in the 2025 training program and were selected through purposive sampling based on their training participation, active business operations, and willingness to provide information.

Data were collected through semi-structured in-depth interviews, participant observation, and documentation. Primary data were obtained from MSME owners, while secondary data were gathered from relevant literature, official documents, and training materials. The data were analyzed using thematic analysis, including data reduction, data display, and conclusion drawing. The findings were interpreted through the *Maqashid Shariah* framework of Abu Ishaq Al-Shatibi, focusing on *hifz al-mal* (protection of wealth), *hifz al-'aql* (protection of intellect), and *hifz an-nafs* (protection of life). Data credibility was ensured through source and method triangulation.

Results

This study investigates the impact of the Business Capacity Building Training Program organized by the Department of Cooperatives, MSMEs, and Trade of Surabaya City (DINKOPUMDAG) on MSME owners from the perspective of *Maqashid Shariah*. The training program was conducted from 21–23 April 2025 at Siola Convention Hall, Surabaya, in collaboration with Petra Christian University. A total of 105 MSME owners participated in the program, representing various business sectors, particularly food and beverage enterprises and garment businesses. The training covered organizational governance, Standard Operating Procedures (SOPs), SWOT analysis, Business Model Canvas, financial management, operational systems, supply chain readiness, and business transformation strategies.

The study involved four MSME owners selected through purposive sampling. The informants represented diverse business backgrounds, including catering services, food and beverage businesses, and garment production. Their business experience ranged from two to twenty-one years, allowing the study to capture a variety of perspectives regarding the effectiveness of the training program (Sugiyono, 2020).

The findings indicate that the training generated positive changes in business management practices. Most informants reported improvements in financial recording, business planning, operational management, and marketing strategies. Participants also demonstrated increased awareness of the importance of structured business governance and the separation of business and personal finances.

1. Dapur Sonia

Sonia Rosma Efianita, owner of a catering business, explained that prior to participating in the training, business operations were managed informally, with limited financial recording and unclear employee responsibilities. After attending the program, she implemented more structured SOPs, improved inventory monitoring, clarified employee duties, and adopted more disciplined bookkeeping practices. She

also received additional assistance related to business legality and halal certification. Although the impact on income growth was not yet substantial, she acknowledged that the training enhanced her confidence in managing the business.

2. Kebab Queen

Sutji Kumalasari, owner of Kebab Queen, reported that the training contributed to better bookkeeping practices, product innovation, and packaging improvements. While her business experienced a temporary increase in sales turnover after the training, the growth was not sustained over the long term. Nevertheless, she perceived benefits in terms of marketing knowledge, particularly regarding the utilization of social media for promotion. She also noted that limited human resources and insufficient post-training mentoring remained major challenges to business development.

3. Zumaz Collection

Widhi Sri Astuti experienced the most significant business growth after participating in the training. As the owner of Zumaz Collection, she reported improvements in financial management, digital marketing, and business planning. The training enabled her to develop digital product catalogs and access the government e-catalog marketplace, expanding market opportunities. She estimated that business turnover increased by approximately 35–50 percent compared to the period before the training. The increase in sales was accompanied by higher profits and a growing customer base. Furthermore, the training encouraged her to separate business and personal finances and to allocate profits for business expansion.

4. Alifah Collection

Farid Hamidy, owner of Alifah Collection, also reported positive changes in business management. Before the training, financial records and production planning were handled informally based largely on personal experience. After participating in the program, he became more capable of managing cash flow, controlling inventory, and making more systematic business decisions. However, the implementation of training outcomes was constrained by limited labor availability and the absence of dedicated personnel for digital marketing and business administration.

Overall, the findings demonstrate that the Business Capacity Building Training Program contributed positively to the managerial capabilities of MSME owners. The most notable impacts were observed in financial management, operational organization, marketing practices, strategic planning, and entrepreneurial confidence. Nevertheless, the extent of these benefits varied among participants due to differences in business characteristics, resource availability, and the ability to consistently apply the knowledge acquired during the training (Suhendi & Fadili, 2025). Participants generally agreed that continuous mentoring and post-training monitoring would be necessary to maximize and sustain the long-term benefits of the program.

Discussion

The findings demonstrate that the business capacity-building training organized by the Surabaya Department of Cooperatives, SMEs, and Trade generated

multidimensional impacts on SME participants, particularly in financial management, managerial competence, business sustainability, and entrepreneurial well-being. Viewed through the lens of *Maqashid Shariah* as conceptualized by Abu Ishaq Al-Shatibi, the training contributed to the realization of three essential objectives: *Hifz al-Mal* (protection of wealth), *Hifz al-'Aql* (protection of intellect), and *Hifz an-Nafs* (protection of human well-being) (Pertiwi & Herianingrum, 2024).

First, regarding *Hifz al-Mal*, the findings indicate that the training improved participants' financial literacy and financial management practices. Prior to the training, several participants managed their businesses using informal financial systems and often mixed personal and business finances. Following the training, they became more aware of the importance of bookkeeping, cash flow management, inventory control, and financial discipline. These improvements reflect the role of training in strengthening the protection and productive utilization of business assets. Better financial management enables entrepreneurs to make informed decisions, reduce operational risks, and maintain business continuity. The observed increases in turnover and net income among some participants further suggest that enhanced financial practices can contribute to improved business performance. This finding supports previous studies highlighting the positive relationship between financial management training and SME performance.

Second, the study reveals that the training contributed significantly to the enhancement of participants' knowledge and managerial capabilities, representing the realization of *Hifz al-'Aql*. Participants reported gaining new insights into risk management, business planning, marketing, and operational management. More importantly, the training encouraged critical reflection on existing business practices and stimulated a shift from intuitive decision-making toward more strategic and analytical approaches. This transformation demonstrates that capacity-building initiatives serve not only as mechanisms for transferring technical knowledge but also as instruments for developing entrepreneurial cognition and intellectual capacity. In the context of increasingly competitive business environments, the ability to acquire, process, and apply knowledge becomes a crucial determinant of business adaptability and resilience.

Third, the findings suggest that the training positively influenced business sustainability and entrepreneurial well-being, which can be interpreted through the framework of *Hifz an-Nafs*. Although the economic outcomes varied among participants, many reported increased self-confidence, motivation, and optimism regarding the future of their businesses. These psychological benefits are particularly important because entrepreneurial success is not solely determined by financial indicators but also by the entrepreneur's ability to remain motivated and resilient in the face of uncertainty. For some participants, the training facilitated access to new business opportunities, expanded professional networks, and encouraged future business diversification. Such outcomes contribute to the sustainability of livelihoods and support the broader objective of preserving individual and family welfare.

Nevertheless, the study also found that the economic benefits of the training were not experienced equally by all participants. While some entrepreneurs reported substantial improvements in turnover and income, others experienced only temporary

gains or perceived benefits primarily in terms of improved business management. This variation suggests that training alone may not be sufficient to guarantee business growth. The effectiveness of training outcomes appears to depend on factors such as the consistency of implementation, individual motivation, business characteristics, and external support mechanisms (Widjaja & Rahman, 2020). Therefore, the impact of capacity-building programs should be evaluated not only through short-term financial outcomes but also through their contribution to long-term business resilience and sustainability.

An important finding emerging from this study is the critical role of post-training mentoring and monitoring. Participants consistently emphasized the need for continuous guidance after the completion of formal training activities (Maulidya et al., 2026). Without follow-up support, entrepreneurs may encounter difficulties in applying newly acquired knowledge and may gradually revert to previous business practices. Continuous mentoring can facilitate problem-solving, reinforce learning, and ensure that training outcomes are translated into sustainable behavioral and managerial changes (Hasyim, 2025). This finding suggests that training programs should be designed as part of a broader and ongoing empowerment process rather than as one-time interventions. Consequently, integrating systematic mentoring and monitoring mechanisms into SME development programs may enhance the long-term effectiveness and sustainability of training outcomes.

Overall, the findings indicate that business capacity-building training contributes not only to economic improvement but also to intellectual development and entrepreneurial well-being. From a *Maqashid Shariah* perspective, these outcomes demonstrate that SME empowerment programs can serve as practical instruments for advancing *Hifz al-Mal*, *Hifz al-'Aql*, and *Hifz an-Nafs*, thereby promoting both business sustainability and societal welfare.

Conclusion

This study concludes that the business capacity-building training organized by the Surabaya Department of Cooperatives, SMEs, and Trade in collaboration with the Community Service and Research Institute of Petra Christian University has served as an effective capacity-development program for SMEs. The training provided practical knowledge and skills related to financial management, business planning, marketing, risk management, and business development, enabling participants to improve their managerial and operational capabilities.

The findings indicate that the training generated positive impacts on SME performance. Participants demonstrated improvements in financial management practices, including bookkeeping, cash flow control, and the separation of business and personal finances. The program also enhanced managerial knowledge, strategic thinking, and decision-making abilities. In addition, the training strengthened participants' confidence, motivation, and readiness to sustain and develop their businesses. Although some participants experienced increases in turnover and profit, the economic benefits

were not equally distributed, suggesting that training outcomes may vary depending on individual and business circumstances.

From the perspective of Al-Shatibi's *Maqasid Shariah*, the training contributed to the realization of *Hifz al-Mal* through improved financial management and asset protection, *Hifz al-'Aql* through the enhancement of knowledge and managerial capacity, and *Hifz an-Nafs* through increased confidence, business resilience, and livelihood sustainability. However, the study also highlights the importance of continuous post-training mentoring and monitoring. Sustainable assistance is necessary to ensure that the knowledge and skills acquired during training are effectively implemented and translated into long-term business development and welfare improvements for SMEs.

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