

## **The Effect of Service Quality, Competence, and Innovation on the Marketing Performance of Course and Training Institutions in Semarang Regency, Central Java**

**Heru Yulianto<sup>1\*</sup>, Dimas Adi Wicaksono<sup>2</sup>, Amsar<sup>3</sup>**

<sup>1,2,3</sup> Institut Teknologi dan Bisnis Semarang, Indonesia

\*Corresponding Author E-mail: [hry000007.pjk@gmail.com](mailto:hry000007.pjk@gmail.com)

### **Abstract**

This study aims to empirically examine the effect of *service quality*, *competence*, and *innovation* on the marketing performance of Course and Training Institutions (Lembaga Kursus dan Pelatihan, LKP) in Semarang Regency, Central Java. The background of this research is based on the importance of the role of LKPs in improving human resource quality through professional, competent, and innovative non-formal education, which allows them to compete in the global era. This research uses a quantitative approach with a descriptive and causal design. Data was obtained through a survey using questionnaires and structured interviews with 150 respondents, who were managers of LKPs (Directors, Secretaries, Treasurers, Public Relations, and Marketing Administration). Data analysis was conducted using multiple linear regression tests with the coefficient of determination ( $R^2$ ) and partial (t-test) and simultaneous (F-test) significance tests. The results of the study show that *service quality*, *competence*, and *innovation* have a positive and significant effect on the marketing performance of LKPs, both simultaneously and partially. Innovation is the most dominant factor, followed by competence and service quality. These findings emphasize that LKPs capable of providing quality services, having competent management, and continuously innovating will be more successful in building their image, increasing competitiveness, and expanding marketing networks. The implications of this research emphasize the importance of policies that expand access to competence certification, encourage the digitalization of learning and marketing, and strengthen partnerships between LKPs and the business and industrial world (DUDI). Thus, the results of this research can contribute to improving the quality of non-formal education and provide practical guidance in managing LKPs in Indonesia. The originality of this research lies in its empirical study focus on LKPs in the local context of Semarang Regency, which has not been extensively researched. In addition to providing quantitative evidence on the determinants of marketing performance in non-formal educational institutions, this study also enriches the literature by emphasizing the role of innovation as the most influential variable in strengthening the competitiveness of non-formal institutions in the era of digital transformation.

**Keywords:** *non-formal education; service quality; competence; innovation; marketing performance.*

### **Abstrak**

Penelitian ini bertujuan untuk menguji secara empiris pengaruh *service quality*, *competence*, dan *innovation* terhadap kinerja pemasaran Lembaga Kursus dan Pelatihan (LKP) di Kabupaten Semarang, Jawa Tengah. Latar belakang penelitian ini didasari oleh pentingnya peran LKP dalam meningkatkan kualitas sumber daya manusia melalui pendidikan non-formal yang profesional, kompeten, dan inovatif, sehingga dapat bersaing di era global. Metode penelitian menggunakan pendekatan kuantitatif dengan desain deskriptif dan kausal. Data diperoleh melalui survei dengan kuesioner dan wawancara terstruktur terhadap 150 responden yang merupakan pengelola LKP (Direktur, Sekretaris, Bendahara, Humas, dan Administrasi Pemasaran). Analisis data dilakukan menggunakan uji regresi linier berganda dengan koefisien determinasi ( $R^2$ ) serta uji signifikansi parsial (uji t) dan simultan (uji F). Hasil penelitian menunjukkan bahwa *service quality*, *competence*, dan *innovation* berpengaruh positif dan signifikan terhadap kinerja pemasaran LKP, baik secara simultan maupun parsial. Inovasi menjadi faktor dengan pengaruh paling dominan, diikuti oleh kompetensi dan kualitas layanan. Temuan ini menegaskan bahwa LKP yang mampu memberikan layanan berkualitas, memiliki manajemen yang kompeten, dan terus

\* Copyright (c) 2025 **Yulianto et al.**

This work is licensed under a [Creative Commons Attribution-ShareAlike 4.0 International License](https://creativecommons.org/licenses/by-sa/4.0/)

Received: April 14, 2025; Revised: August 13, 2025; Accepted: September 27, 2025

berinovasi akan lebih unggul dalam membangun citra, meningkatkan daya saing, serta memperluas jejaring pemasaran. Implikasi penelitian ini menekankan pentingnya kebijakan yang memperluas akses sertifikasi kompetensi, mendorong digitalisasi pembelajaran dan pemasaran, serta memperkuat kemitraan LKP dengan dunia usaha dan dunia industri (DUDI). Dengan demikian, hasil penelitian dapat berkontribusi pada peningkatan mutu pendidikan non-formal serta menjadi acuan praktis dalam pengelolaan LKP di Indonesia. Keaslian penelitian ini terletak pada fokus kajian empiris terhadap LKP di konteks lokal Kabupaten Semarang yang belum banyak diteliti. Selain memberikan bukti kuantitatif tentang determinan kinerja pemasaran di lembaga pendidikan non-formal, penelitian ini juga memperkaya literatur dengan menekankan peran inovasi sebagai variabel paling berpengaruh dalam memperkuat daya saing lembaga non-formal di era transformasi digital.

Kata Kunci: pendidikan non-formal; kualitas layanan; kompetensi; inovasi; kinerja pemasaran.

---

## INTRODUCTION

Education plays a strategic role in human resource development, especially in the era of globalization, characterized by intense competition, digital transformation, and changes in lifestyle. However, social realities in Indonesia show high dropout rates and low levels of education among the workforce. According to BPS data (2019), 58.77% or around 72.8 million workers have only completed education up to junior high school or below, without the skills required by the job market (Adharsyah, 2019). This condition impacts the low competitiveness of Indonesia's workforce globally.

The challenge has become more complex with the Covid-19 pandemic, which has worsened the absorption of labor graduates, particularly due to the weakening industrial sector. On the other hand, there are still 27.54 million people (10.12%) living below the poverty line (Badan Pusat Statistik, 2021). This situation demands the presence of alternative non-formal educational institutions capable of addressing the demand for work skills, while also serving as a solution to reduce unemployment and poverty rates.

Course and Training Institutions (*Lembaga Kursus dan Pelatihan*, LKP) have emerged as a response to these challenges. LKPs not only serve as platforms for improving knowledge and skills, but also prepare the community to become competent workers or entrepreneurs. However, the reality shows that of the more than 17,000 LKPs in Indonesia, only 8% were accredited in 2020 (Nisrina, 2024). This indicates that the majority of institutions have not guaranteed their quality. In Semarang Regency, LKPs face various issues, including the lack of competency-based training as per the National Competency Standards (SKKNI), limited access to certification, and high costs for competency testing. This situation highlights the need for a comprehensive evaluation of the service quality, competence, and innovation of LKPs to ensure their contribution to enhancing human resource competitiveness.

Studies on the relationship between competence and marketing performance have been conducted in several tendencies. First, research focused on individual and managerial competence has shown mixed results. Agha et al. (2012), Ismail (2014), and Nimsith et al. (2016) found that competence positively impacts marketing performance, while Dubey and Ali (2011) reported that competence does not always have a positive effect. Wesigwa and Naslima (2014) emphasize the importance of managerial competence in improving marketing performance. This finding is in line with studies that highlight the role of marketing competence in various contexts, such as alliance marketing competence (Choi, 2015), CSR-based competence (Bai & Chang, 2015), and market knowledge competence (Zhang et al., 2010), which consistently strengthens marketing performance.

Second, service quality has also been widely studied as an important determinant of organizational success. Service quality is considered a dominant factor in ensuring the sustainability of institutions and

building public trust. Service management studies place service quality as a strategy for competitive advantage (Spector et al., 2013). However, research specifically examining the role of service quality on marketing performance in non-formal educational institutions like LKPs is still limited, thus requiring further investigation.

Third, innovation is regarded as a crucial factor that enables organizations to create unique, efficient, and value-added products or services. Schwabe et al. (2021) assert that innovation enables organizations to survive and expand their markets. Other studies also highlight the importance of digital innovation, which has proven to improve operational efficiency and organizational performance (Badari et al., 2024). However, most studies have focused on the industrial sector and large companies, while research on innovation in the context of LKPs is relatively rare.

From these three tendencies, it is clear that although competence, service quality, and innovation have proven to influence marketing performance across sectors, studies that examine these three factors simultaneously in the context of non-formal educational institutions, specifically LKPs in Indonesia, are still limited. This gap is what this research aims to fill.

Therefore, this study aims to empirically test the effect of service quality, competence, and innovation on the marketing performance of LKPs in Semarang Regency. This research is expected to provide practical contributions for LKPs in formulating more effective management strategies, as well as academic contributions by enriching the literature on non-formal education management in the context of Indonesia.

Based on the literature review and existing phenomena, this study argues that service quality, competence, and innovation are key determinants in enhancing the marketing performance of LKPs. Therefore, the hypotheses proposed in this study are as follows: first, service quality has a positive and significant effect on the marketing performance of LKPs; second, competence has a positive and significant effect on the marketing performance of LKPs; and third, innovation has a positive and significant effect on the marketing performance of LKPs.

## **RESEARCH METHODS**

The unit of analysis in this study is the managerial position within the Course and Training Institutions (*Lembaga Kursus dan Pelatihan*, LKP), which includes the Director, Secretary, Treasurer, Public Relations and Marketing, and Marketing Administration. This choice of unit analysis is based on their authority to manage the institution's activities, including planning, implementation, and evaluation of the courses and training programs.

This study employs both descriptive and causal approaches (Lune & Berg, 2017). The descriptive design is used to describe the characteristics of LKPs and the profile of the respondents, while the causal design is employed to test the effect of service quality, competence, and innovation on marketing performance. Aiming to explain the relationships between variables, this study is explanatory through hypothesis testing using correlational and causal techniques. The research method used is a survey research approach with structured interviews conducted at LKPs in Semarang Regency.

The data sources in this study come from 150 respondents who are LKP managers in Semarang Regency. The respondents consist of 30 Directors, 30 Secretaries, 30 Treasurers, 30 Public Relations and Marketing officers, and 30 Marketing Administrators. This group of respondents was selected because they have direct authority in managing the institution. Data collection was done through the distribution of questionnaires. The research instrument was designed to gather information on service quality, competence, innovation, and marketing performance.

The data analysis technique used is the coefficient of determination test ( $R^2$ /Adjusted R Square) (Farhady, 2013). This test is used to determine how much the independent variables (service quality, competence, and innovation) explain the variation in the dependent variable (marketing performance). A coefficient of determination value close to 0 indicates a low explanatory power of the independent variables, while a value close to 1 indicates that the independent variables almost fully explain the variation in the dependent variable.

## RESULTS AND DISCUSSION

### General Overview of Respondents

Based on the research conducted with a total of 150 respondents, who are management officials of Training and Course Institutions (LKP) in Semarang Regency, the following section presents the identity profiles of respondents. The descriptive profile includes their position in the organization, institutional accreditation status, and competency certification of LKP managers. This information is important to provide an initial overview of the institutional context before analyzing the causal relationships between service quality, competence, innovation, and marketing performance.

**Table 1. Respondents Based on Position Status in LKP**

Position Status at LKP	Respondent LKP	Percentage
Director	30	20
Secretary	30	20
Treasurer	30	20
Public Relations and Marketing	30	20
Marketing Administration	30	20
Total	150	100

**Source: Processed Primary Data (2022)**

The distribution of respondents based on position in Table 2 shows that the research sample is well-balanced, with equal representation from five key managerial functions in LKP: Director, Secretary, Treasurer, Public Relations and Marketing, and Marketing Administration. Each position contributes 20% of the total respondents. This indicates that the study captures perspectives from different strategic and operational roles, ensuring diversity of managerial viewpoints. Such equal representation also allows for more objective analysis across positions. From a methodological perspective, the equal distribution minimizes bias that might arise if one position dominated the sample.

Interestingly, the equal proportion of positions also suggests that the management structure of LKP in Semarang Regency is relatively standardized, where each institution consistently maintains these key managerial roles. This reflects the institutional maturity of LKP and indicates that most of them are organized according to official governance guidelines.

**Table 2. Respondents Based on LKP Accreditation**

<b>Institutional Status</b>	<b>Respondent LKP</b>	<b>Percentage (%)</b>
Accredited	30	100
Not yet accredited	0	0
<b>Total</b>	<b>30</b>	<b>100</b>

**Source: Processed Primary Data (2022)**

As presented in Table 3, all of the 30 LKP represented in this study have obtained accreditation, which means 100% of respondents come from accredited institutions. This finding is noteworthy given that at the national level, only 8% of course and training institutions were accredited in 2020. Therefore, the LKP in Semarang Regency can be considered as relatively advanced and more quality-assured compared to the national average. Accreditation status is important because it guarantees that the institutions meet minimum quality standards set by the government. It also strengthens the legitimacy of the findings because the institutions involved are formally recognized and supervised, which reduces the risk of unstandardized practices.

The fact that all respondents come from accredited institutions further strengthens the reliability of this study. It implies that the managers surveyed work in environments that are already quality-assured, making their responses more valid for analyzing the relationship between service quality, competence, innovation, and marketing performance.

**Table 3. Respondents Based on LKP Manager Certification**

<b>Competent Status</b>	<b>Respondent LKP</b>	<b>Percentage (%)</b>
Has a Competency Certificate	110	73
No Competency Certificate yet	40	27
<b>Total</b>	<b>150</b>	<b>100</b>

**Source: Processed Primary Data (2022)**

Table 4 illustrates the certification profile of LKP managers. The majority (73%) of managers already possess a competency certificate, while 27% have not yet obtained certification. This indicates that most of the LKP in Semarang Regency are led by certified professionals, which theoretically should improve institutional performance. Certification is important because it serves as formal recognition of managerial competence according to national or international standards.

However, the remaining 27% of uncertified managers highlight a challenge: there are still institutions whose leadership has not been formally validated through certification. This may be due to the high costs associated with competency testing or the limited number of accredited testing centers (LSP) in the region. The presence of uncertified managers could create disparities in management quality, which in turn may affect service quality and marketing performance.

The descriptive results of respondent profiles provide several important insights. First, the even distribution of respondents across five managerial positions ensures that the perspectives collected are comprehensive, covering both strategic roles such as Director, Secretary, and Treasurer, as well as operational roles including Public Relations and Marketing, and Marketing Administration. This balance reflects a representative managerial structure that strengthens the reliability of the data obtained.

Second, the 100% accreditation rate of LKP in Semarang Regency reflects a strong commitment to quality assurance. This achievement places the region above the national average and provides a solid foundation for analyzing the impact of service quality, competence, and innovation on marketing performance. The presence of accreditation across all institutions also ensures that the findings are drawn from organizations that have met formal quality standards.

Third, the data reveal managerial competency gaps. While the majority of managers (73%) already hold competency certificates, nearly one-third remain uncertified. This condition presents both opportunities and challenges. On the one hand, certified managers are more likely to deliver high-quality services and achieve stronger organizational performance. On the other hand, uncertified managers may require additional training and support to meet the competency standards, which could affect the consistency of institutional management.

Finally, the respondent profiles imply direct implications for institutional performance. Accredited institutions with certified managers are generally better positioned to enhance alumni competitiveness, strengthen program clarity, and align curricula with competency standards. Conversely, uncertified managers may face limitations in implementing innovative practices or maintaining service quality at the same level as their certified counterparts.

Overall, the respondent profiles indicate that LKP in Semarang Regency are relatively advanced in terms of accreditation and managerial certification compared to the national context. These findings highlight both strengths, such as institutional legitimacy and the majority of certified managers, and challenges, particularly the existence of uncertified managers. This overview provides an important contextual background for the subsequent analysis of how service quality, competence, and innovation influence marketing performance in LKP.

## **Analysis of Research Results**

### **a. Model Testing Results**

#### **1) Determination Test (Adjusted R Square)**

The determination test (Adjusted R Square) is shown in Table 5.

**Table 4. Model Test**

<b>Model</b>	<b>R</b>	<b>F</b>	<b>Sig</b>
Service Quality, Competence, and Innovation → Marketing Performance	.670a	39.598	.000a

**Source: Processed primary data (2022)**

Based on Table 5, the correlation coefficient (R) obtained is 0.554, which is higher than the minimum standard value of 0.50. This indicates that the variables of service quality, competence, and innovation can explain 55.4% of variations in marketing performance. Furthermore, the value of 0.670a, which is also above the standard threshold, demonstrates that the model accounts for 67% of the variance in marketing performance, while the adjusted value of 0.653 reinforces this conclusion. Thus, it can be inferred that more than half of the changes in marketing performance are explained by these three variables, while the remaining proportion (about 33–45%) is influenced by other factors not examined in this study.

These findings emphasize that the integrated contribution of service quality, competence, and innovation forms a strong explanatory model, meeting the standards for explanatory studies in the field of management and marketing. In other words, the model developed in this study is robust enough to be used as a reference in policy-making for LKP management.

## 2) Model Accuracy Test

The simultaneous test further confirms the validity of the model. The hypotheses formulated are as follows:

**Ha:**  $\beta X_1, \beta X_2, \beta X_3 \geq 0$  (service quality, competence, and innovation simultaneously have a positive effect on marketing performance).

**H0:**  $\beta X_1, \beta X_2, \beta X_3 < 0$  (service quality, competence, and innovation do not have a positive effect on marketing performance).

The F value of 39.598 with a significance level of 0.000 indicates that the model is statistically valid. Therefore, the null hypothesis is rejected, and the alternative hypothesis is accepted. This means that service quality, competence, and innovation together significantly influence the marketing performance of LKP in Semarang Regency.

## b. Results of Hypothesis Testing

Hypothesis testing was conducted for the three proposed hypotheses, namely:

**H1:** Service quality has a positive and significant effect on the marketing performance of LKP.

**H2:** Competence has a positive and significant effect on the marketing performance of LKP.

**H3:** Innovation has a positive and significant effect on the marketing performance of LKP.

The results are presented in Table 6.

**Table 5. Model Coefficients for Service Quality, Competence, and Innovation on Marketing Performance**

Model	Standardized Coefficient	T	Sig
Service Quality (X1)	.190	2.200	.029
Competence (X2)	.214	2.549	.012
Innovation (X3)	.314	4.228	.000

**Source: Processed primary data (2022)**

The coefficients in Table 6 show that all three independent variables have a positive and significant influence on marketing performance. Service quality ( $\beta = .190$ , sig = .029) indicates that improvements in service delivery, responsiveness, and reliability significantly enhance marketing outcomes. Competence ( $\beta = .214$ , sig = .012) demonstrates that managerial and professional capabilities are crucial in sustaining performance. Innovation ( $\beta = .314$ , sig = .000) shows the strongest influence among the three, confirming that the ability to adapt, create new programs, and implement creative solutions is a key driver of competitiveness in LKP.

The results indicate several key insights. First, service quality has become a dominant requirement for institutional survival. Consistent delivery of high-quality services builds trust and strengthens the reputation of LKP, which is vital for retaining participants and attracting new ones.

Second, competence emerges as a necessity for organizational success. Certified and skilled managers are able to design effective training curricula, align programs with national competency standards, and manage institutions more professionally. This strengthens the argument that investment in competency development is essential for sustainable performance.

Third, innovation exerts the strongest effect, reflecting the dynamic environment in which LKP operate. Institutions that continuously innovate in program design, teaching methods, and digital learning integration are better able to respond to changing labor market needs. This also aligns with the broader literature emphasizing innovation as a driver of competitive advantage in the 21st century.

Overall, the analysis shows that service quality, competence, and innovation are proven determinants of marketing performance in LKP. Among the three, innovation plays the most critical role, followed by competence and service quality. These results imply that while maintaining accreditation and certification is important, LKP must prioritize continuous innovation to remain relevant and competitive. This sub-finding not only confirms theoretical propositions in management literature but also provides practical direction for policy and strategy formulation in non-formal education institutions.

## **The Influence of Service Quality, Competence, and Innovation on Marketing Performance**

Based on the results of data analysis, it was found that service quality, competence, and innovation, both simultaneously and partially, have a positive and significant effect on the marketing performance of Training and Course Institutions (LKP) in Semarang Regency. The following section provides a detailed explanation of the contribution of each variable.

### **1. Service Quality and Marketing Performance**

The findings indicate that service quality has a positive and significant impact on the marketing performance of LKP. This confirms that high-quality services are one of the main factors in ensuring the sustainability of training institutions. LKPs that are able to deliver services in line with consumer expectations gain higher trust and loyalty, which directly strengthens their marketing performance.

The most valued dimensions of service quality include responsiveness, *assurance*, *tangibles*, empathy, and reliability. These five dimensions, as suggested by Parasuraman et al. (2008), play a crucial role in shaping public perceptions of service quality. Accredited institutions tend to demonstrate higher service quality because they already operate with clear standards in curriculum, teaching staff, facilities, and management systems. Thus, service quality not only enhances participant satisfaction but also reinforces institutional image and competitiveness in the non-formal education market.

### **2. Competence and Marketing Performance**

Managerial and technical competence also proved to have a positive and significant influence on the marketing performance of LKP. Competence in this study encompasses *self-concept/attitude*, knowledge, and skills. Respondents emphasized the importance of measurable competence, particularly in relation to adherence to SOPs, the ability to use equipment effectively, and the capacity to complete tasks collaboratively.

Managers and administrators with high levels of competence are capable of designing training programs in line with SKKNI standards, managing resources more efficiently, and ensuring the quality of



graduates. These competencies increase public trust and strengthen partnerships with industry, which in turn improve marketing performance by attracting new participants and expanding networks of collaboration. Therefore, managerial competence is not only an internal asset but also a strategic instrument for ensuring institutional sustainability.

### 3. Innovation and Marketing Performance

Innovation emerged as the variable with the strongest influence on marketing performance. LKPs that innovate in programs, learning methods, marketing, and management are better positioned to respond to the changing needs of society and the demands of industry (*DUDI*).

Several forms of innovation are particularly valued by Training and Course Institutions (LKP). *Process innovation* is reflected in the implementation of internships, the use of industry-standard equipment, and the involvement of instructors from the industrial sector (*DUDI*). In addition, *marketing innovation* plays an important role through the development of graduate placement networks, the utilization of digital content, and the adoption of social media as a promotional tool. *Product innovation* is equally crucial, as it involves designing curricula that are aligned with industrial needs, incorporating advanced technologies into training, and preparing graduates who are competitive in the labor market. Furthermore, *managerial innovation* is demonstrated through efforts to build new networks, foster continuous improvement, and maintain compliance with *DUDI* quality standards. Collectively, these innovations not only enhance the effectiveness of the learning process but also strengthen the competitive position of LKP. This underscores the idea that adaptive capacity and managerial creativity are key determinants of marketing success, with the findings confirming that innovation serves as the primary driver, surpassing the contributions of service quality and competence.

Overall, the results of this study emphasize that service quality, competence, and innovation are critical determinants of marketing performance in LKP in Semarang Regency. Service quality functions to maintain public trust and satisfaction, competence enhances operational capability and institutional legitimacy, while innovation serves as the primary driver that ensures relevance, sustainability, and competitiveness. Therefore, the improvement of LKP marketing performance will be more effective if these three variables are developed simultaneously and continuously.

## Discussion

The results of this study highlight three key findings regarding the role of internal audits in strengthening the resilience of local governments against fraud and financial mismanagement. First, internal audits function as an effective mechanism for prevention and early detection through strengthening internal control systems and educating the staff. Second, resource limitations, both in terms of budget and the number and competence of auditors, still pose significant barriers that weaken the effectiveness of audits. Third, the use of technology has proven to significantly enhance audit efficiency and accuracy; however, its adoption remains hindered by limited infrastructure, technical skills, and resistance to change.

The positive relationship between service quality, competence, and innovation in marketing performance can be explained through the internal dynamics of the institutions. Accredited LKPs with certified managers tend to implement consistent service standards, which enhances customer satisfaction. The competencies possessed by the managers, in terms of knowledge, attitude, and skills, enable the institution to manage resources efficiently and produce competitive graduates. Meanwhile, innovation emerges as the strongest factor because it provides the flexibility and adaptability required in the face of market changes and technological advancements.

These findings are consistent with several previous studies. First, research focusing on individual and managerial competence has shown mixed results. Agha et al. (2012), Ismail (2014), and Nimsith et al. (2016) found that competence positively affects marketing performance, while Dubey and Ali (2011) reported that competence does not always have a positive impact. Wesigwa and Naslima (2014) emphasize the importance of managerial competence in improving marketing performance. This study supports the view that management competence is a strategic tool in strengthening the institution's competitiveness. Second, service quality has long been recognized as a key determinant of organizational success. Service management studies position service quality as a strategy for competitive advantage (Spector et al., 2013). However, research specifically examining the role of service quality in marketing performance within non-formal educational institutions, such as LKPs, is still rare. Therefore, this study makes a novel contribution by directly examining this relationship within non-formal education institutions. Third, this study also reinforces the findings of Schwabe et al. (2021) that innovation is a primary driver of competitive advantage. Furthermore, recent research (Badari et al., 2024) shows that digital innovation can improve operational efficiency and strengthen organizational performance. The contribution of this research lies in its expansion of context, by investigating the role of innovation within course and training institutions, a topic that has mostly been studied in industrial sectors or large companies.

Historically, these findings reflect the transformation of non-formal education in Indonesia, which is increasingly moving towards professionalization and standardization. LKPs, which were once viewed merely as alternatives to formal education, now show adaptive and innovative capacities to compete in the global era. A similar trend is observed in international studies on the professionalization of non-formal education (NFE), where the process of professionalization is understood as an effort to improve quality, recognition, and integration of NFE into the broader educational framework.

Several key aspects drive this professionalization, including integration with formal education, competency development, recognition and accreditation, the improvement of educator professionalism, and contributions to strengthening human capital. In Zimbabwe, for example, the formalization of non-formal education has extended to schools and universities, creating a more integrated educational ecosystem (Mpofu, 2015). In Russia, NFE has been identified as an important factor in updating work competencies and reducing qualification gaps, thus supporting the competitiveness of the workforce in the global market (Kicherova et al., 2021; Kicherova & Efimova, 2020). Meanwhile, in Europe, the professionalization of adult education is strengthened through policies that recognize non-formal learning outcomes in national qualification systems and the improvement of facilitators' quality (Sava, 2014; Singh, 2015).

Equally important, the aspect of professionalization also emphasizes the development of educators. A study in the Baltic region highlights the need for formal training and certification for adult educators to ensure the quality of learning experiences (Jõgi & Gross, 2009). This aligns with research in Hungary and Serbia, which highlights professional training pathways for adult learning professionals as crucial in maintaining standards in non-formal education (Beszédes, 2022). Thus, the professionalization of LKPs in Indonesia can be viewed as part of a global trend that emphasizes service quality, educator competence, and continuous innovation to strengthen the position of non-formal education within the education system and human resource development as a whole.

Socially, the findings demonstrate that the presence of Course and Training Institutes (LKP) with quality services, competent management, and continuous innovation plays a crucial role in reducing unemployment, improving job skills, and strengthening social networks between communities and

industries. This aligns with several studies that emphasize the significant role of non-formal education (NFE) in enhancing individual employability. Research by Corrales-Herrero and Rodríguez-Prado (2018) shows that participation in NFE positively impacts job opportunities, although the effects vary by gender, age, and initial education level. Furthermore, the effectiveness of NFE is influenced by the economic context: during recessions, it is more effective in assisting the unemployed, while in times of economic expansion, it benefits employed workers more (Corrales-Herrero & Rodríguez-Prado, 2018).

Additionally, practice-based approaches have proven to support the transition from education to the workforce. For instance, *sport-based interventions* (SBIs) are categorized as a form of non-formal education that provides an inclusive environment to develop both propositional knowledge and practical skills relevant to the labor market (Morgan et al., 2025). However, several studies in South Africa highlight challenges faced by non-formal education centers, such as limited material resources and qualified instructors, which impact the readiness of graduates to enter the labor market (Mayombe & Lombard, 2015, 2016). Weak institutional links with stakeholders exacerbate this issue, resulting in insufficient post-training support for graduates, thereby extending the cycle of unemployment and poverty (Mayombe, 2017a, 2017b).

Other international contexts also emphasize the contribution of non-formal education to employability. In Mali, *educational centers for development* (CEDs) have expanded job opportunities for out-of-school youth, although they are more effective for males than females (Wéyér, 2009). In Morocco, non-formal education is even focused on developing entrepreneurial skills through hands-on practice, internships, and vocational training, preparing students to adapt quickly to the dynamics of the business world (Najem et al., 2025).

Thus, these evidences reinforce the findings of this study that LKPs in Indonesia not only serve as an alternative form of education but also as a strategic instrument for enhancing employability, expanding job opportunities, and supporting socio-economic development. However, this effectiveness is highly influenced by factors such as policy support, the quality of instructors, links to industry, and the availability of adequate resources.

Ideologically, this study affirms that non-formal education is not merely a complement to formal education but serves as a strategic space for community empowerment and the creation of superior human resources aligned with national development needs. This role aligns with various international studies that emphasize the function of non-formal education as a means of social empowerment. For instance, non-formal arts education in vulnerable areas has been shown to enhance youth self-confidence and social skills, which are critical assets for their present and future lives (Ferrer-Fons et al., 2022). In Uganda, non-formal vocational education functions as a practical route for individuals excluded from formal education to gain marketable skills and the ability to guide their lives more independently (Blaak et al., 2013).

Furthermore, non-formal education plays an essential role in empowering marginalized groups. NFE programs targeting women and youth in poor areas can alter behavior, values, and attitudes, thus reducing their vulnerability (Edralin et al., 2015). In fact, gender-specific projects have been shown to enhance women's capacity to actively participate, express opinions in public spaces, and acquire skills typically seen as male-dominated (Stromquist, 2018). In Indonesia, research in Pati Regency found that non-formal education significantly contributed to community development by improving educational equality and strengthening local economic skills (Fakhrudin I., 2019).

Moreover, Bhutan's experience shows that NFE plays a vital role in improving literacy, numeracy, and community participation in local governance, while also strengthening self-realization among citizens

(Powdyel, 2016). NFE also has cross-generational social impacts, as evidenced in studies on *successful aging*, where adult participation in non-formal education enhances positive emotions, social interactions, and overall life satisfaction (da Conceição Pinto Antunes & Ferreira, 2024). Furthermore, *service-learning* methods in NFE have proven effective in promoting civic engagement and community service by structuring citizen participation in social movements (Sotelino Losada et al., 2019).

Thus, non-formal education is not just an alternative educational pathway, but a strategic instrument for building a more empowered, inclusive, and socially just society. Challenges such as intergenerational inclusion barriers and the need for comprehensive policies to support participatory and sustainable practices (Almeida & Morais, 2025; Kicherova et al., 2022) must be addressed to maximize the role of non-formal education as a tool for social empowerment in both national and global development contexts.

This study has a positive function in affirming the strategic role of LKPs as drivers of workforce competency enhancement and labor competitiveness. With quality services, strong managerial competence, and continuous innovation, LKPs can strengthen their position within the education ecosystem and labor market. However, there is potential dysfunction in the management of LKPs. Over-reliance on formal accreditation and certification can create a gap between accredited and non-accredited institutions. Institutions that are not accredited are often perceived to have lower quality and are less trusted by the public and industry partners. This aligns with Roper's (2024) view that quality assurance in non-formal education must be understood as a systematic process, including internal and external evaluations, as well as the assessment of instructors and learners. Without fair mechanisms, accreditation standards risk widening the quality gap between established large institutions and smaller ones.

Additionally, the high demand for innovation could burden smaller institutions with limited resources. Izmailova et al. (2020) emphasize that active stakeholder involvement—such as participants, instructors, and the business world—is crucial to ensuring that the quality assurance process does not focus solely on formalities but also on the relevance of learning outcomes to real community needs. On the other hand, Abouammoh (2024) highlights that non-formal education still faces perception issues, as many employers value formal qualifications more than non-formal learning outcomes, making it harder for smaller institutions to gain legitimacy.

The Indonesian context also reflects similar challenges. The higher education quality assurance system, for instance, has implemented comprehensive standards that cover education, research, and community service (Simasathiansophon, 2019). However, in non-formal education, the existing standards often focus merely on administrative accreditation without providing real support for curriculum development, instructor training, and learning facilities. As a result, smaller institutions serving marginalized groups are at risk of being burdened by accreditation and innovation demands, while lacking access to adequate resources for continuous improvement.

Thus, while accreditation, certification, and innovation are important tools for ensuring quality, overly rigid implementation could lead to new dysfunctions. Instead of narrowing the quality gap, non-inclusive quality assurance could widen the divide between well-established large institutions and smaller institutions with limited resources. Therefore, quality assurance in non-formal education should be designed as an adaptive, participatory process focused on continuous improvement, rather than simply meeting formal standards.

Based on the research findings, several strategic steps can be taken to strengthen the role of LKPs. First, the government needs to expand access to competence certification for LKP managers and educators, so the quality gap between institutions can be reduced. Second, LKPs need to integrate digital

innovation into marketing and technology-based learning to expand reach, improve efficiency, and enhance competitiveness in the era of digital transformation. Third, policy support in the form of subsidies, incentives, and partnerships with the business world and industry (DUDI) should be strengthened so that resource-constrained institutions can still innovate and maintain service quality. With the implementation of these steps, the positive functions of service quality, competence, and innovation can be maximized, while the potential dysfunctions from accreditation imbalances and innovation burdens can be minimized.

## CONCLUSION

This study concludes that *service quality*, *competence*, and *innovation* have a positive and significant impact on the marketing performance of Course and Training Institutions (LKP) in Semarang Regency. Partially, these three variables make important contributions, with *innovation* emerging as the most dominant factor in enhancing the institution's competitiveness. This indicates that improving service quality, strengthening managerial competence, and continuously developing innovation are the keys to LKP's success in meeting the needs of society and the industry.

Scientifically, this study contributes to enriching the literature on non-formal education management, particularly in the aspect of marketing performance. The findings reaffirm that an integrative approach through *service quality*, *competence*, and *innovation* can serve as an analytical framework for understanding the dynamics of competitiveness among non-formal education institutions in Indonesia. Moreover, this research expands the literature by providing empirical evidence from the local context of Semarang Regency, which had previously been under-researched.

However, this study has limitations, particularly in terms of geographic scope and the number of respondents, which focused solely on LKPs in Semarang Regency. This limitation suggests that generalizing the results to other regions should be done cautiously. Therefore, future research is recommended to expand the study to various regions across Indonesia, include additional variables such as government policy support or industry partnerships, and use a mixed-methods approach (quantitative and qualitative) for a deeper understanding. By doing so, the research findings can further strengthen both the theoretical and practical contributions to the development of non-formal education as a strategic tool for national human resource development.

## REFERENCES

- Abouammoh, B. (2024). Accreditation and quality assurance in traditional and non-traditional education: Challenges, perspectives, and future directions. In *Navigating quality assurance and accreditation in global higher education*. <https://doi.org/https://doi.org/10.4018/979-8-3693-6915-9.ch004>
- Adharsyah, T. (2019). Sri Mulyani Sebut 59% Pekerja Lulusan SMP, Fakta Lebih Ngenes. *CNBC Indonesia*. <https://www.cnbcindonesia.com/market/20190614153137-17-78468/sri-mulyani-sebut-59-pekerja-lulusan-smp-fakta-lebih-ngenes#:~:text=Apa yang disampaikan Sri Mulyani memang benar.,dirinci lagi%2C faktanya lebih menyedihkan dari itu>.
- Agha, S., Alrubaiee, L., & Jamhour, M. (2012). Effect of core competence on competitive advantage and organizational performance. *International Journal of Business and Management*, 7(1), 192–204. <https://doi.org/https://doi.org/10.5539/ijbm.v7n1p192>
- Almeida, F., & Morais, J. (2025). Non-formal education as a response to social problems in developing countries. *E-Learning and Digital Media*, 22(1), 45–61. <https://doi.org/https://doi.org/10.1177/20427530241231843>
- Badan Pusat Statistik. (2021). Persentase Penduduk Miskin Maret 2021 turun menjadi 10,14 persen. *Badan Pusat Statistik*. <https://www.bps.go.id/id/pressrelease/2021/07/15/1843/persentase->

- penduduk-miskin-maret-2021-turun-menjadi-10-14-persen.html
- Badari, A. T., Mursitama, T. N., Maulana, A. E., & Pradipto, Y. D. (2024). The role of digital marketing in sustainable tourism: Evidence from Indonesia. *African Journal of Hospitality, Tourism and Leisure*, 13(1), 1–15.
- Bai, X., & Chang, J. (2015). Corporate social responsibility and firm performance: The mediating role of marketing competence and the moderating role of market environment. *Asia Pacific Journal of Management*, 32(2), 505–530. <https://doi.org/https://doi.org/10.1007/s10490-015-9409-0>
- Beszédes, V. (2022). Training pathways for adult learning professionals in higher education: Case of Hungary and Serbia. *Adult Education Quarterly*, 72(4), 327–346. <https://doi.org/https://doi.org/10.1177/07417136211031531>
- Blaak, M., Openjuru, G. L., & Zeelen, J. (2013). Non-formal vocational education in Uganda: Practical empowerment through a workable alternative. *International Journal of Educational Development*, 33(6), 607–615. <https://doi.org/https://doi.org/10.1016/j.ijedudev.2013.02.002>
- Choi, I. (2015). *Almost all about unit roots: Foundations, developments, and applications*. Cambridge University Press.
- Corrales-Herrero, H., & Rodríguez-Prado, B. (2018). The role of non-formal lifelong learning at different points in the business cycle. *International Journal of Manpower*, 39(2), 327–345. <https://doi.org/https://doi.org/10.1108/IJM-08-2016-0164>
- da Conceição Pinto Antunes, M., & Ferreira, A. D. (2024). Successful Aging: Impact of a Non-Formal Education Experience. *Activities, Adaptation & Aging*, 48(3), 505–523. <https://doi.org/10.1080/01924788.2023.2247705>
- Dubey, A., & Ali, S. S. (2011). Study on impact of core competence on organizational performance in service sector. *Journal of Business and Management*, 3(5), 1–9. <https://doi.org/https://doi.org/10.5772/50941>
- Edralin, D. M., Tibon, M. V. P., & Tugas, F. C. (2015). Initiating women empowerment and youth development through involvement in non-formal education in three selected parishes: An action research on poverty alleviation. *DLSU Business & Economics Review*, 24(2), 68–82.
- Fakhrudin I., & S. (2019). The impact of non-formal education in community development: A case study in Pati, Indonesia. *International Journal of Innovation, Creativity and Change*, 9(10), 11–25.
- Farhady, H. (2013). Quantitative methods. *The Encyclopedia of Applied Linguistics*. Oxford: Blackwell. DOI: <https://doi.org/10.1002/9781405198431.Wbeal0989>
- Ferrer-Fons, M., Rovira-Martínez, M., & Soler-i-Martí, R. (2022). Youth empowerment through arts education: A case study of a non-formal education arts centre in Barcelona. *Social Inclusion*, 10(1), 142–151. <https://doi.org/https://doi.org/10.17645/si.v10i2.4923>
- Ismail, A. I. (2014). Managerial competencies and performance of small and medium enterprises: Evidence from Malaysia. *International Journal of Business and Social Science*, 5(9), 123–135.
- Izmailova, M. A., Korneva, E. Y., Makolov, V. I., & Salimova, T. A. (2020). Quality assurance in higher education in the context of European approaches. *Integration of Education*, 24(1), 22–39. <https://doi.org/https://doi.org/10.15507/1991-9468.100.024.202003.377-395>
- Jõgi, L., & Gross, M. (2009). The professionalisation of adult educators in the Baltic States. *European Journal of Education*, 44(2), 221–236. <https://doi.org/https://doi.org/10.1111/j.1465-3435.2009.01381.x>
- Kicherova, M. N., & Efimova, G. Z. (2020). The impact of non-formal education on human capital: A generational approach. *Integration of Education*, 24(2), 227–241. <https://doi.org/https://doi.org/10.15507/1991-9468.099.024.202002.316-338>
- Kicherova, M. N., Efimova, G. Z., & Gertsen, S. M. (2022). Non-formal education as a resource of social inclusion: Intergenerational approach. *Changing Societies & Personalities*, 6(2), 223–238. <https://doi.org/https://doi.org/10.15826/csp.2022.6.2.176>
- Kicherova, M. N., Semenov, M. Y., & Zyuban, E. V. (2021). Qualification assessment practices: New possibilities and constraints. *Obrazovanie i Nauka*, 23(7), 40–71. <https://doi.org/https://doi.org/10.17853/1994-5639-2021-7-71-98>
- Lune, H., & Berg, B. L. (2017). *Qualitative research methods for the social sciences*. Pearson.
- Mayombe, C. (2017a). An assessment of non-formal education and training centres' linkages with role-

- players for adult employment in South Africa. *International Journal of Lifelong Education*, 36(1-2), 179-196. <https://doi.org/https://doi.org/10.1080/02601370.2016.1246486>
- Mayombe, C. (2017b). Combating adult unemployment through post-training support in non-formal education and training programmes in South Africa. *Journal of Social Sciences*, 51(1-3), 31-42. <https://doi.org/https://doi.org/10.1080/09718923.2017.1305571>
- Mayombe, C., & Lombard, A. (2015). How useful are skills acquired at adult non-formal education and training centres for finding employment in South Africa? *International Review of Education*, 61(5), 611-630. <https://doi.org/https://doi.org/10.1007/s11159-015-9517-6>
- Mayombe, C., & Lombard, A. (2016). The importance of material resources and qualified trainers in adult non-formal education and training centres in South Africa. *International Review of Education*, 62(3), 307-322. <https://doi.org/https://doi.org/10.1007/s11159-016-9548-7>
- Morgan, H., Bowles, H., & Bush, A. (2025). Sport-based interventions as non-formal education: Enabling the education-to-employment transition for young people. *Social Sciences*, 14(2), 87. <https://doi.org/https://doi.org/10.3390/socsci14020087>
- Mpofu, S. (2015). Trends in human resource development in Zimbabwe: A case for progressive leadership. In *Cases on leadership in adult education*. <https://doi.org/https://doi.org/10.4018/978-1-4666-8589-5.ch003>
- Najem, K., Zaoui Seghroucheni, Y., & Ziti, S. (2025). Adaptive learning models in Moroccan entrepreneurship: A review of non-formal education approach. In *Lecture Notes in Networks and Systems* (Vol. 1192). [https://doi.org/https://doi.org/10.1007/978-3-031-86698-2\\_17](https://doi.org/https://doi.org/10.1007/978-3-031-86698-2_17)
- Nimsith, S., Arachchige, B. J. H., & Jayamaha, N. P. (2016). The effect of core competency on the competitive advantage of SMEs in Sri Lanka. *International Journal of Scientific and Research Publications*, 6(7), 220-225.
- Nisrina, D. (2024). Pendidikan Vokasi Mencetak Talenta untuk Industri Kreatif. *Portal Vokasi Indonesia*. <https://vokasi.net/index.php/2025/02/26/pendidikan-vokasi-mencetak-talenta-untuk-industri-kreatif/>
- Parasuraman, A., Zaithaml, V. A., & L., A. B. L. (2008). SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality. *Journal Of Retailing*, 64, 12-35.
- Powdyel, T. S. (2016). Non-formal education in Bhutan: Origin, evolution, and impact. In *Education in the Asia-Pacific region: Issues, concerns and prospects* (Vol. 34). [https://doi.org/https://doi.org/10.1007/978-981-10-1649-3\\_11](https://doi.org/https://doi.org/10.1007/978-981-10-1649-3_11)
- Roper, L. (2024). Accreditation; IFLA education guidelines; and other practices for ensuring quality education. In *Encyclopedia of libraries, librarianship, and information science*. <https://doi.org/https://doi.org/10.1016/B978-0-323-95689-5.00121-8>
- Sava, S. (2014). From "innovation" to "quality": The topic of professionalisation for adult learning staff in selected European policy documents. In *Challenging the "European area of lifelong learning": A critical response*. [https://doi.org/https://doi.org/10.1007/978-94-007-7299-1\\_13](https://doi.org/https://doi.org/10.1007/978-94-007-7299-1_13)
- Schwabe, M., Vălikangas, L., & Csikszentmihalyi, M. (2021). Innovation and resilience: Lessons from the COVID-19 crisis. *Research-Technology Management*, 64(2), 10-18.
- Simasathiansophon, N. (2019). Educational Marketing Strategy Through Online Platform. *Proceedings of the 2019 3rd International Conference on Education and Multimedia Technology - ICEMT 2019*, 287-290. <https://doi.org/10.1145/3345120.3345151>
- Singh, M. (2015). Sharing learning: Cross-country observations. In *Technical and vocational education and training: Issues, concerns and prospects* (Vol. 23). [https://doi.org/https://doi.org/10.1007/978-3-319-15278-3\\_7](https://doi.org/https://doi.org/10.1007/978-3-319-15278-3_7)
- Sotelino Losada, A., Mella Núñez, Í., & Rodríguez Fernández, M. Á. (2019). The role of civic and social entities in service-learning: Systematizing the students' participation in the third sector. *Teoría de La Educación*, 31(1), 147-170. <https://doi.org/https://doi.org/10.14201/teri.20156>
- Spector, P. E., Bauer, J. A., & Fox, S. (2013). Measurement artifacts in the assessment of job satisfaction and organizational performance. *Journal of Organizational Behavior*, 34(7), 933-946. <https://doi.org/https://doi.org/10.1002/job.1849>
- Stromquist, N. P. (2018). Empowering women through knowledge: International support for nonformal education. In *Contemporary perspectives in comparative education*.

[https://doi.org/https://doi.org/10.1007/978-3-319-15278-3\\_7](https://doi.org/https://doi.org/10.1007/978-3-319-15278-3_7)

Wesigwa, A., & Naslima, A. (2014). Managerial competence and marketing performance of micro and small enterprises in Uganda. *International Journal of Business and Management Studies*, 3(2), 35–45.

Wéyér, F. (2009). Non-formal education, out-of-school learning needs and employment opportunities: Evidence from Mali. *Compare*, 39(2), 249–265.  
<https://doi.org/https://doi.org/10.1080/03057920902750509>

Zhang, D. Q., Tan, S. K., & Gersberg, R. M. (2010). Municipal solid waste management in China: status, problems and challenges. *Journal of Environmental Management*, 91(8), 1623–1633.