SUCCESS MODEL PARTNERSHIP PROGRAM SME AT PT. PERKEBUNAN NUSANTARA III

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Abstract: Small and medium enterprises are one of the business units that help the country a lot in reducing the unemployment rate. This sector makes a major contribution to supporting the national economy. Real steps and efforts are needed to support and increase the power of SMEs. The main objective of this study is to determine the direct and indirect effects of HR experience, capital, knowledge, social networks, social media, perceived customer benefits, and perceived competitive value on the performance of SMEs through partnership programs. The approach in this research is causal research (cause and effect). The population in this study is the SME business actor who is fostered at PT. Perkebunan Nusantara III, with total of 243 SME business actors. While the sampling technique used a saturated sample where 243 SMEs were sampled in this study. Data collection techniques used a questionnaire with an ordinal measurement scale. Data analysis used AMOS-based Structural Equation Modeling (SEM). The results showed that the direct experience of human resources, capital, social networks, social media, and perceived customer benefits had a significant effect on the partnership program, while knowledge was not significant for the partnership program. The results showed that the direct experience of human resources, capital, social networks, social media, perceived customer benefits, and perceived competitive value had a significant effect on the performance of SMEs, while knowledge was not significant on the performance of SMEs. Indirectly the experience of human resources, capital, knowledge, social networks, social media, perceived customer benefits, and perceived competitive value had a significant effect on the performance of SMEs through partnership programs.

Keywords: Partnership, Performance, SEM.

INTRODUCTION

In connection with government policies in terms of partnerships in recent years, the government has begun to take an approach that encourages the creation of cooperation between the government and entrepreneurs. Where many things can be done jointly between the government and entrepreneurs through various programs. Such a partnership between the government and business actors is a form of cooperation between the government and the business sector, allowing them to share resources, risks, and mutual benefits to change existing environmental practices with innovative findings (Lin & Lin, 2016).

SMEs have an extraordinary influence on a country's economy, both developed and developing countries. Micro, small, and medium enterprises (SMEs) certainly play an important role in supporting the economy in a better direction (Ochinanwata et al., 2021). In both developed and developing countries, it turns out that SMEs are the largest contributor to the formation or growth of the gross domestic population (GDP) and contribute the most to employment than large businesses, this shows the importance of SMEs for the country's economy (Franco & Haase, 2020).

The large potential for the development of SMEs has resulted in the emergence of many SMEs which are managed in a haphazard and unprofessional way, especially from a managerial aspect. This resulted in many SMEs having low performance and in turn going bankrupt. SME performance is the result of the evaluation of company work achieved by both individuals and groups obtained based on their roles and responsibilities towards tasks that have been given and determined by the company in a certain period (Mutegi et al., 2015). However, so far the performance of UKM has not been able to achieve maximum results, especially in the failed assisted UKM.

Management of SMEs should not be carried out carelessly and without good management due to the strategic role of SMEs and the limited ability of SMEs to be able to grow (Hendratmoko, 2021). The existence of partnerships between SMEs and programs aims at business continuity, improving the quality of resources, increasing partner income, and increasing business scale to grow and improve the business capabilities of partner groups.

This partnership pattern is one of the solutions for improving the performance of SMEs (Wulandari & Nadapdap, 2020). There is one factor that affects the performance of SMEs, namely through a partnership program. The partnership program is a partnership program with SMEs whose capital is obtained from BUMN profits, this program aims to enable SMEs to develop. In addition, there is also an environmental development program that aims to empower the social conditions of the community which also uses BUMN profits. Total funding from profits is a maximum of 2% (two percent) of net profit for both partnership programs and environmental development programs (Prajwalita & Tarmizi, 2015).

If seen from the initial observations there are very clear problems regarding the condition of PT. Perkebunan Nusantara III

currently has many weaknesses in management such as limited human resource capabilities, limitations in obtaining additional capital, lack of knowledge in business development, social networks that are not well established, lack of understanding in the use of information technology, lack of perception in building value benefits for consumers and not maximizing value in creating competitive advantage in SME business units.

As a partner of PT. Perkebunan Nusantara III will have responsibility for the partnership program. The performance of SMEs can be said to be good if they can increase existing sales, increase annual profits, increase capital, increase the number of customers each year, can achieve the targets to be achieved, and can meet existing needs. Because success in the partnership program is not only the hope of SMEs but for PT. Nusantara Plantation III.

So far, the partnership program conducted by PT. Perkebunan Nusantara III is the nature of providing access to capital, business assistance, supervision, human resource development, and helping to open market networks in business development. With this program, it is expected to be able to improve the performance of SMEs in facing business competition. However, the implementation of the partnership program that has been carried out by PT. Perkebunan Nusantara III does not always go well, the possibility of the existing partnership program makes it difficult for partners to pay installments, the business does not run smoothly, and even going bankrupt and closing still occurs.

There needs to be a study on the success model of SMEs through the partnership program. It is based on this that the study of the partnership program is important.

MATERIALS AND METHODS

This study uses an associative approach, namely research that seeks to establish a relationship between two or more variables. With this research, a theory can be developed that can explain, predict, and control a phenomenon or event.

The data used is quantitative data collected through survey methods. This study will take respondents from a population and will collect main data through questionnaires and direct interviews with respondents.

The population according to (Lubis, 2021) all research objects that have certain traits and characteristics are determined by a researcher as a data source and then draw conclusions based on the data collected. The population in this study are SMEs assisted at PT. Perkebunan Nusantara III with a total of 243 SME business actors.

One type of sampling technique is using a saturated sample technique. This saturated sample technique can be interpreted as a sampling technique if the entire population is used as a sample. The use of this method is done if you want to produce very small errors when generalizing or when the number of members of the population is very small (Lubis, 2021). Therefore the sample used in this study is 243 SME business actors.

It is very important to determine the right data collection technique, this is because it can determine whether a study is good or bad. Data collection is an effort

made to obtain real and accountable information or information and truth. In conducting this research using several methods, namely:

1. Observation

Observation is an activity to provide observation or attention to the research object by utilizing the five senses. This observation is also known as observation. In this study, observations were made by looking directly at the conditions in the field, especially the partners in the partnership program from PT. Nusantara Plantation III.

2. Questionnaire / Questionnaire

The questionnaire is one of the media used to obtain some news that is known by the informants. This questionnaire can be in the form of written questions.

There are two sources of data needed in this study, namely primary data which is also called primary data, and secondary data which is also called secondary data. Primary data or primary data derived from questions or Questioners addressed to the partnership of PT. Nusantara Plantation III. Secondary data was obtained through PT. Perkebunan Nusantara III is a list of partners participating in the partnership program

The analysis model using Structural Equation Modeling (SEM) or structural equation model is a collection of statistical techniques that have the probability of testing a series of complicated bonds simultaneously. The step required before processing data through AMOS is to use the Successive Interval Method (MSI) to convert ordinal data into continuous data, the same as that used in the AMOS program. Not only as a norm, but the use

of an interval scale for parametric statistics is also to convert the data into a normal distribution. There is no need to perform a normality test when performing transformations with this model. In addition to data that is required to have an interval and ratio scale, the data must have a normal distribution, this is one of the conditions for using parametric statistics. This is different from the nonparametric statistics used to measure distribution.

Evaluating the suitability of the model through a review of various goodness of fit criteria is done by: p-value, RMSEA, NFI, NNFI, CFI, IFI, RFI, Std. RMR, and GFI. Testing the model using the overall model and statistical goodness of fit along with testing the path coefficients: Test the significance of the path coefficients (α and β) using the t-test with a significance p of less than 0.05 and meet the criteria of Statistical Goodness of Fit with all coefficients in the model being significant.

This study uses several software to process data, namely SPSS, Excel, and AMOS (Linear Structural Relationships). The raw data obtained and suitable for processing were recapitulated with the help of Excel and SPSS software. Then, indicator data per latent variable is processed using the CFA method through the AMOS software. From the valid and reliable CFA results, data processing was continued with the SEM method, which is the final method in this study, with the help of AMOS software.

RESULTS AND DISCUSSION

When IBM-AMOS (Version 22) estimates the model, it evaluates the

accuracy of a model. A complete evaluation of each model is carried out by considering the fulfillment of the assumptions in the Structural Equation Modeling (SEM), the same as described in the following description. The choice of data analysis using SEM is because the definition of statistical analysis itself is a multivariate technique that mixes aspects of factor analysis and multiple regression to estimate a series of interdependent ties simultaneously. Not only that, being superior in providing estimates of errors in estimating and measuring parameters is the reason for choosing data analysis using the SEM method. This can be interpreted that in analyzing data using the SEM method, it can consider the measurement model errors and structural equation models simultaneously.

A test is needed before data analysis is carried out, to see if the data used is incorrect which will later be used as a basis for decision-making. Testing the data is in the form of checking whether or not there is a nonresponse bias, using the maximum likelihood estimation method with a structural equation model, in addition to using data validity and reliability tests to determine the probability of exceeding the assumption limits that must be complied with.

To test the research model at the goodness of fit level, the research model suitability test is used. Measuring the ability of a model to explain various data using the GFI measure. The value range of GFI is from zero to one. In reality, there are no

provisions regarding good GFI values. But it can be interpreted that a model with a GFI value of almost one means that it is in a good category. Most studies use the minimum limit is 0.9. Shown in Figure 1 is the result of the AMOS analysis.
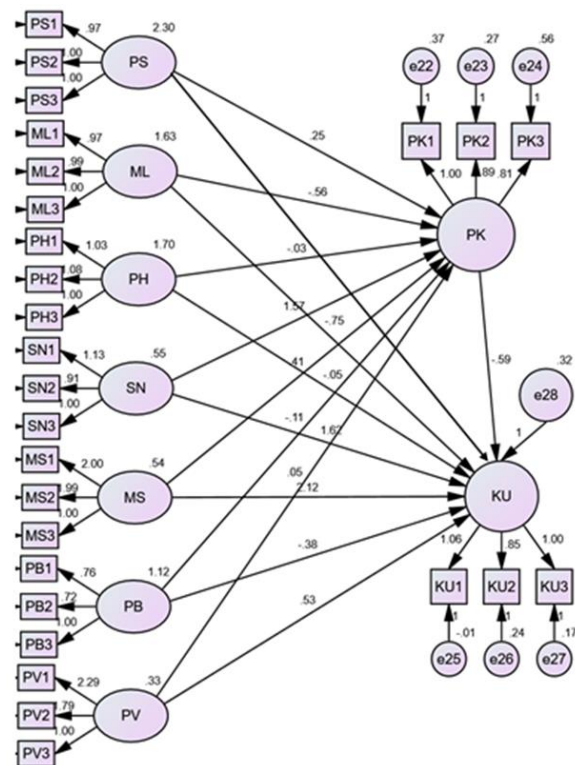

Figure 1. Amos Output

The results of the causality test show that all variables have a causal relationship between variables and other variables. In addition, the causality test shows the value of the possible critical ratio which has a three-star sign. the results of Amos can be seen in table 1. The estimate is the value of influence between variables. The estimate is the value of influence between variables. while the significance can be seen from the p-value, standard error dan critical ratio.

Table 1. Result of Amos

Variable	Estimate	Std. Error	Crit. Ratio	P	Decision
Experience -> Partnership	.248	.030	8.259	***	Accepted
Capital -> Partnership	-.558	.041	-13.440	***	Accepted
Knowledge -> Partnership	-.028	.022	-1.255	.209	Rejected
Social Network -> Partnership	1.568	.099	15.861	***	Accepted
Social Media -> Partnership	.414	.062	6.690	***	Accepted
P. Customer Benefit -> Partnership	-.111	.042	-2.654	.468	Rejected
P. Competetive Value-> Partnership	.053	.073	.725	***	Accepted
Experience -> Performance	.445	.083	6.037	***	Accepted
Capital -> Performance	-.753	.094	-7.971	***	Accepted
Knowledge -> Performance	.049	.027	2.808	***	Accepted
Social Network -> Performance	1.616	.248	6.506	***	Accepted
Social Media -> Performance	2.124	.101	20.968	***	Accepted
P. Customer Benefit -> Performance	-.375	.054	-6.886	***	Accepted
P. Competetive Value-> Performance	.531	.092	5.749	***	Accepted
Partnership -> Performance	-.587	.144	-4.077	***	Accepted

Human Resources Experience, Capital, Knowledge, Social Networks, Social Media, and Perceived Competetive Value significantly influence the partnership program. The results of this study are significant because they have a probability value (p) which produces an asterisk and a critical value greater than the standard error value.

There is a significant of Human Resources Experience, Capital, Knowledge, Social Network, Social Media, Perceived Customer Benefit, Perceived Competetive Value, and Partnership on Performance.

Stakeholders are needed to achieve partnership success, so the results of this study produced a Partnership Success Model. Stakeholders involved in the Partnership Program include PTPN III, Universities, Regional Governments, and Other Companies (business world).

Universities can play a role through lecturer and student service programs to assist PTPN III in carrying out Assistance and Training, Audit and Evaluation, and the Selection Process. One of the programs that can be run is the Kedaireka Matching Fund. The program requires companies to spend money in the form of CSR funds to improve the quality of human resources for fostered SME partners, as well as the Ministry of Higher Education will provide financial assistance in the amount of company CSR funds, this 1:1 ratio is determined from the Kedaireka Program. Funds obtained can help SMEs to have 1 unit of the laptop, while mentoring and training can be carried out by lecturers and students. Some of the Assistance and Training programs that can be carried out are training on the use of social media, digital marketing workshops, and product innovation.

Local government can play a role through the Office of Cooperatives and SMEs through the Bazaar and Expo programs so that partner SMEs can improve social networks and can assist in the audit and selection process as well as mentoring and training.

The business world can play a role through industries that have related fields so that SMEs can collaborate to make products, expand market access and assist the selection process. Related industries can be invited to the Focus Group Discussion activities to broaden the knowledge of SMEs Fostered Partners and add to social networks.

PTPN III through the SME and Community Development Program Division must be involved in the selection and audit process so that it is not just providing capital assistance.
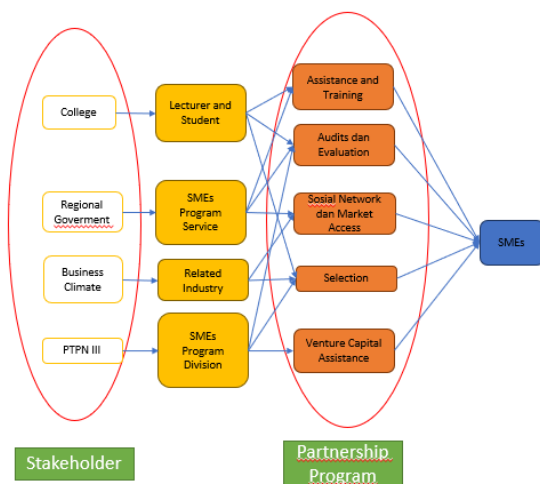
Figure 2. Success Model Partnership Program

CONCLUSIONS

Experience can be increased through mentoring and training programs, and the element of experience must be an aspect in determining which SMEs qualify for the partnership program.

The capital that has been given to the assisted SMEs should be audited and evaluated within a certain period. Whether the capital provided is used by the provisions or not.

Knowledge can be increased through mentoring and training programs. Elements of knowledge need to be audited and evaluated. The element of knowledge must also be an aspect of determining which SMEs are eligible to receive capital assistance and participate in the partnership program.

Increasing social networks can increase market access so that they sell more products. The social network element must be an aspect of determining which SMEs are eligible to receive capital assistance.

Social media can be improved through mentoring and training and after the partnership program is running it needs to be audited and evaluated to see how far the ability to use social media has increased.

Perceived Competetive Value and Perceived Consumer Benefit must be aspects in determining which SMEs are eligible to receive capital, after passing these two aspects can be improved through mentoring and training. After the program is running, an audit and evaluation are needed to review the extent to which these two perceptions have improved.

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