

KEY FACTORS CONTRIBUTING TO THE SUCCESS OF SME PARTNERSHIP PROGRAMS: INSIGHTS FROM PT PERKEBUNAN NUSANTARA III

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Abstract

This research aims to identify the key factors influencing the success or failure of partnership programs for SMEs, specifically those fostered by PT. Perkebunan Nusantara III. The study fills gaps in existing literature and offers practical recommendations for enhancing partnership program design and implementation. Data were gathered from 243 SME business actors using a structured questionnaire, and multiple linear regression analysis was employed to evaluate the relationships between various independent variables and the success of the programs. The findings indicate that experience, knowledge, social networks, and business performance positively affect program success, while communication barriers and high transaction costs hinder success. However, factors like funding amount and communication behavior were found to be insignificant in this context. Based on these results, the study recommends investing in partner training to improve experience and knowledge, developing effective communication strategies, reducing transaction costs, and leveraging social networks. These recommendations aim to enhance the effectiveness of partnership programs, supporting the growth of SMEs and contributing to policy and practice in both Indonesia and globally.

Keywords: *Partnership Program, Partnership Success, Partnership Effectiveness, SMEs Partnership*

Abstrak

Penelitian ini bertujuan untuk mengidentifikasi faktor-faktor kunci yang mempengaruhi keberhasilan atau kegagalan program kemitraan bagi UKM, khususnya yang dibina oleh PT. Perkebunan Nusantara III. Penelitian ini mengisi kesenjangan dalam literatur yang ada dan menawarkan rekomendasi praktis untuk meningkatkan desain dan implementasi program kemitraan. Data dikumpulkan dari 243 pelaku usaha UKM dengan menggunakan kuesioner terstruktur, dan analisis regresi linier berganda digunakan untuk mengevaluasi hubungan antara berbagai variabel independen dan keberhasilan program. Temuan menunjukkan bahwa pengalaman, pengetahuan, jaringan sosial, dan kinerja bisnis secara positif mempengaruhi keberhasilan program, sementara hambatan komunikasi dan biaya transaksi yang tinggi menghambat keberhasilan. Namun, faktor-faktor seperti jumlah dana dan perilaku komunikasi ditemukan tidak signifikan dalam konteks ini. Berdasarkan hasil ini, studi ini merekomendasikan investasi dalam pelatihan mitra untuk meningkatkan pengalaman dan pengetahuan, mengembangkan strategi komunikasi yang efektif, mengurangi biaya transaksi, dan memanfaatkan jaringan sosial. Rekomendasi ini bertujuan untuk meningkatkan efektivitas program kemitraan, mendukung pertumbuhan UKM, serta berkontribusi pada kebijakan dan praktik di Indonesia dan global.

Keywords: *Program Kemitraan, Keberhasilan Kemitraan, Efektivitas Kemitraan, Kemitraan UKM*

PENDAHULUAN

Small and medium enterprises (SMEs) play a vital role in the economies of many countries,

significantly contributing to job creation, innovation, and economic growth. However, despite their critical role, SMEs often face various

challenges, including limited resources, restricted market access, and low competitiveness (Zaid & Yaqub, 2024). These challenges highlight the importance of effective strategies to enhance SME resilience and competitiveness. One strategy that has been recognized for its potential is partnerships and collaborative programs (Aulia et al., 2023).

In Indonesia, state-owned enterprises (SOEs) such as PT Perkebunan Nusantara III have been pioneers in such initiatives through a partnership program managed since 2002, as mandated by the Decree of the Minister of State-Owned Enterprises No. KEP-100/MBU/2002. This program operates across North Sumatra, aiming to support the growth and sustainability of SMEs. However, despite being in operation for over two decades, the program has yet to fully achieve its expected outcomes (Junaidi et al., 2023).

Initial assessments indicate that partnered SMEs face various managerial weaknesses, including limited human resource capacity, difficulties in obtaining additional capital, and a lack of expertise in business development and information technology utilization. This suggests a gap between the partnership program's objectives and its actual impact on the ground. This discrepancy raises questions about the program's effectiveness and the mechanisms designed to add value to SMEs (Woolley & MacGregor, 2021).

The literature on partnership strategies demonstrates that collaborative programs can significantly enhance various aspects of SME performance, such as product quality, marketing,

sales, profitability, and employee productivity (Carree et al., 2019). For instance, research in West Java shows that partnership strategies can improve SME competitiveness, while a study in Makassar highlights the importance of strategic management practices, including collaborative programs, in maintaining or improving marketing and financial performance (Omsa, 2017). Additionally, research on the "Iptekda LIPI" program underscores the potential of a social entrepreneurship approach in addressing skill and technology gaps among SMEs.

Numerous studies have explored the factors influencing the success of partnership programs involving SMEs. Researchers have identified various determinants, such as the amount of funding, communication behavior, partner experience, knowledge, and social networks, that can significantly impact the effectiveness of these programs (Awheda et al., 2014; Kulathunga et al., 2020; Aulia et al., 2023; Aulia & Syahputra, 2023).

However, the success of such initiatives often depends on specific organizational and contextual factors that may not be universally applicable or may require adaptation to local conditions. Therefore, further in-depth research is needed to understand the factors influencing the effectiveness of partnership programs.

Based on this review, there is an urgent need to thoroughly analyze the Partnership Program implemented by PT Perkebunan Nusantara III. This research aims to identify the key factors contributing to its success or failure. It seeks not only to fill critical gaps in the existing literature but also to provide

practical recommendations that can enhance the design and implementation of SME partnership programs. Ultimately, this research is expected to support the development of a more robust and sustainable SME sector while offering insights for policy and practice in Indonesia and other global contexts.

METHOD

The type of data used in this study is quantitative data collected through survey methods. The research is planned to take respondents from a population using questionnaires and direct interviews with respondents as primary data collection methods. The population in this study consists of SMEs fostered by PT. Perkebunan Nusantara III, totaling 243 SME business actors.

The sampling technique employed is a saturated sample. This technique involves using the entire population as the sample, often applied when the population size is relatively small or when generalizations are made with minimal errors (Lubis, 2021). Thus, the sample in this study includes all 243 SME business actors.

A structured questionnaire is used to gather research data, ensuring the collection of relevant and accurate responses. The data analysis method used in this study is multiple linear regression analysis. This analytical model is suitable for testing the relationship between one dependent variable and multiple independent variables. The method allows for the evaluation of how each independent variable impacts the dependent variable and identifies the most

influential factors among them.

By using multiple linear regression analysis, the study seeks to provide a comprehensive understanding of the determinants affecting the success of SMEs fostered by PT. Perkebunan Nusantara III. This approach ensures robust findings that contribute to the research objectives

DISCUSSION RESULT

Assumptions and Model Fit for Multiple Linear Regression Analysis

The multiple linear regression analysis conducted to evaluate factors influencing the success of partnership programs met all prerequisites. The relationships between independent variables and the dependent variable were confirmed to be linear, and the Variance Inflation Factor (VIF) values indicated no multicollinearity among variables. Residuals were normally distributed, and homoscedasticity was confirmed, ensuring a consistent variance of residuals across predicted values. Furthermore, the Durbin-Watson statistic of 1.329 indicated no significant autocorrelation in the residuals, satisfying the assumption of independence of errors.

The analysis yielded an R-Square value of 0.826 (Figure 1), demonstrating that 82.6% of the variance in the success of partnership programs can be explained by the independent variables included in the model. This indicates a strong predictive power and highlights the importance of these factors in understanding partnership

program success.

Table 1 . Summary Coefficients (Final Result)

Variable	Unstd. Coef	Std coef	SE	T value	P value
Amount of Funding	-0.186	-0.32	0.383	0.486	0.628
Com. Behavior	-0.886	-1.27	0.658	1.348	0.179
Experience	2.691	4.07	1.104	2.437	0.016
Knowledge	1.245	1.791	0.62	2.006	0.046
Performance	0.336	0.463	0.066	5.112	0
Com. Barrier	-2.305	3.497	1.127	2.045	0.042
Social Network	0.215	0.258	0.042	5.152	0
T. Cost	-0.451	0.542	0.216	2.086	0.038
Intercept	3.557	0	0.621	5.73	0

Source: Regression Final Result From SmartPLS4

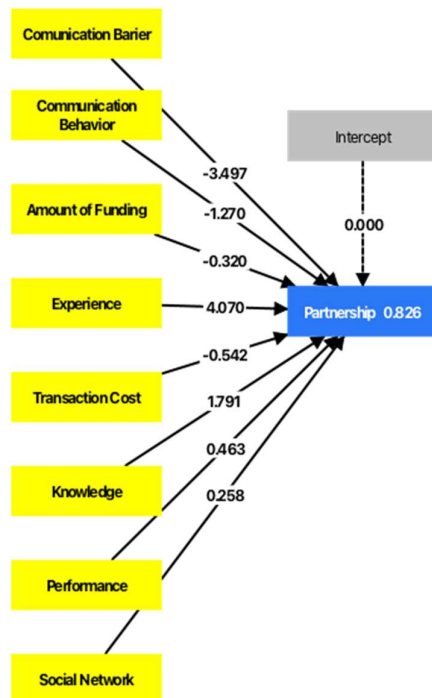


Figure 1 . Regression Graphical Output

Table 1 presents the Summary Coefficients, which represent the final results of the multiple linear regression analysis conducted using SmartPLS4. The table includes the standardized coefficients (Beta values) for each independent variable, along with their corresponding p-values.

These coefficients indicate the strength and direction of the relationship between each independent variable and the success of the partnership program, while the p-values help assess the statistical significance of these relationships. A lower p-value (typically below 0.05) indicates that the variable has a significant impact on the dependent variable, while a higher p-value suggests that the variable does not significantly affect the success of the partnership program (Figure 1).

Amount of Funding

The standardized coefficient of -0.32 with a p-value of 0.628 suggests that the amount of funding does not significantly impact the success of the partnership program. This finding contrasts with previous research emphasizing the importance of funding for small business success, underscoring that the effectiveness of funds is more critical than the amount (Jeynes, 2012). The non-significant negative effect could be attributed to suboptimal fund management or unequal distribution, highlighting the need for efficient resource allocation

Communication Behavior

The standardized coefficient of -1.27 with a p-value of 0.179 indicates a non-significant negative relationship between communication behavior and partnership success. This implies that poor

poor communication behavior is less influential than other factors. While previous studies have emphasized the importance of effective communication in building partnerships, the results suggest that alternative mechanisms, such as robust documentation systems, may mitigate communication shortcomings to some extent (Guzman, 2020).

Experience

The standardized coefficient of 4.07 with a p-value of 0.016 demonstrates a significant positive impact of experience on partnership success. Partners with more experience are better equipped to navigate the program's dynamics, aligning with the literature on how experience enhances market understanding, reduces risk, and improves efficiency (Shenhar et al., 2002).

Knowledge

The standardized coefficient of 1.791 and a p-value of 0.046 reveal a significant positive impact of knowledge on partnership success. Knowledgeable partners are more likely to manage partnerships effectively, consistent with the literature on intellectual capital and its role in fostering innovation and the adoption of advanced technologies.

The findings provide a nuanced understanding of the factors influencing partnership program success, highlighting the importance of experience and knowledge while underscoring the complexities of funding and communication dynamics.

Communication Barrier

With a standardized coefficient of -3.497 and a p-value of 0.042, communication barriers negatively and significantly impact program success. Challenges like miscommunication or ineffective communication channels hinder success. This supports Cardon et al. (2009), who identified communication barriers as detrimental to information flow in organizations (Malik et al., 2021). To address this, partnership programs should invest in developing robust communication protocols and facilitating open dialogue.

Social Network

The standardized coefficient is 0.258, with a p-value of 0.000, indicating a significant positive effect. Extensive social networks enable partners to access resources and opportunities, crucial for program success. This finding aligns with Granovetter's (1985) work on the importance of social networks in building trust and accessing information (Batistič & Tymon, 2017).

Transaction Cost

A standardized coefficient of -0.542 with a p-value of 0.038 indicates a significant negative effect. High transaction costs, such as administrative or negotiation expenses, impede program success. This supports Williamson's (1981) theory, which emphasizes the importance of efficient transaction costs for effective partnerships (Zhao, 2019).

Performance Business

The standardized coefficient is 0.463, with a p-value of 0.000, showing a significant positive

influence. Businesses with strong performance are more likely to succeed in partnerships (Mazzarol, 1999; Hüther et al., 2017). This finding is consistent with Teece, Pisano, and Shuen's (1997) dynamic capabilities theory, which highlights adaptability and resourcefulness in driving success.

CONCLUSION

The analysis reveals that certain factors significantly influence the success of partnership programs, namely experience, knowledge, social networks, and business performance. These factors contribute positively, as partners with more experience, better knowledge, extensive social networks, and solid business performance are more likely to succeed in partnership programs. On the other hand, communication barriers and high transaction costs are significant obstacles, negatively impacting program success.

However, some factors were found to be insignificant in this analysis, such as the amount of funding and communication behavior. Although these factors may be important in specific contexts, they do not show a statistically significant relationship with partnership program success. This suggests that the effectiveness of fund management and communication may hold greater importance than their quantity or intensity alone.

RECOMMENDATION

To improve partnership program success, key recommendations include investing in

partner training and development to enhance experience and knowledge, developing robust communication protocols and facilitating open dialogue to address barriers, optimizing resource allocation and reducing transaction costs through streamlined administrative processes, and leveraging social networks to access resources and opportunities. By addressing these critical factors, partnership programs can better navigate the complexities of collaboration and achieve desired outcomes.

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