

# COLLABORATIVE PLATFORM MODEL FOR MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) SERVICES AND ITS EFFECT ON MSME PERFORMANCE IN THE PERSPECTIVE OF COLLABORATIVE GOVERNANCE

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## ABSTRACT

This quantitative research focuses on the collaborative platform model in terms of integrated MSME services, which in the process until the output produced is an endless cycle to develop the quality of MSMEs in DKI Jakarta or is sustainable. This model was tested with use of PLS-SEM from 100 MSMEs in Jakarta that are facilitated by Jakarta Entrepreneur. The test results show that the application of this model in Jakarta Entrepreneur has not been fully optimised, especially on the collaborative platform variable. The role of collaborative platform must be improved both from the community side as users and recipients of services, as well as from the developers side who are in charge of facilitating the interaction of all parties connected through an integrated system.

**Keyword:** Collaborative Platform, MSMEs, Collaborative Governance, Financial Performance

## INTRODUCTION

The existence of Micro, Small and Medium Enterprises (MSMEs) activities is one of the business sectors of the community economy whose development scale is able to influence regional, national, and even international economies and development. In DKI Jakarta, when viewed based on the survey results of the DKI Jakarta Provincial Statistics Agency in 2022, it is known that the Small and Medium Enterprises (MSEs) sector plays a dominant role in driving the economy of DKI Jakarta Province. The percentage of MSEs in DKI Jakarta Province reached 98.78 percent of the total number of Large Medium Enterprises (LME) and Small Medium Enterprises (SMEs) in DKI Jakarta or around 1,100,000 MSMEs in the DKI Jakarta area, which simply has an effect as the basis for populist economic development. The existence of this sector is able to absorb DKI Jakarta's workforce as much as 35.07 percent of the total workforce or around 2.5 million people (Badan Pusat Statistik, 2018). This condition shows that the important role of MSEs also has a major effect on reducing unemployment in DKI Jakarta.

The DKI Jakarta Provincial Government has accelerated the development of MSME through the Jakarta Entrepreneur program. The MSME development plan is as stated in the Rencana Pembangunan Jangka Menengah Daerah (RPJMD) document. The DKI Jakarta Government through Jakarta Entrepreneur as a development platform for the community and MSME actors is expected to realize MSMEs to upgrade. MSME development is a necessary condition to encourage economic growth. The existence of MSMEs is an important pillar for the development of a country (Kementerian Koordinator Bidang Perekonomian Republik Indonesia, 2021). If MSMEs rise, the economy will be leveraged (Sasongko, 2020).

In order to support the priority programs of the Governor of DKI Jakarta Province in 2017-2022, Jakarta Entrepreneur is a program to accelerate the acceleration of MSME actors related to integrated entrepreneurship programs with various incentive schemes through the Integrated Entrepreneurship Development (*Pengembangan Kewirausahaan Terpadu*) movement as

stipulated in Peraturan Gubernur Provinsi DKI Jakarta Nomor 2 Tahun 2020. Jakarta Entrepreneur is a form of program transformation motivated by the existence of Instruksi Gubernur Nomor 152 Tahun 2017 dated December 15, 2017 concerning the Establishment and Development of Entrepreneurship. Then, the release of Peraturan Gubernur DKI Jakarta Nomor 102 Tahun 2018 dated October 9, 2018 concerning Integrated Entrepreneurship Development was present as an effort to reduce poverty, reduce unemployment, improve the welfare and prosperity of the people and utilize the economic potential of DKI Jakarta. The Provincial Government of DKI Jakarta targets the birth of 200,000 new and upgraded entrepreneurs within 5 years by combining the potential of the local government as a driving force and the entrepreneurial community and other stakeholders (Pemerintah Provinsi DKI Jakarta, 2020).

It was found that the existing condition of Jakarta Entrepreneur as a Collaborative Platform has not been able to be integrated by the system as a whole when viewed through the conditions of the Jakarta Entrepreneur facilitation stages, including:

1. The lack of digital literacy and business independence in involving digitalization aspects in the MSME development process.
2. Operational standards for MSME Facilitators have not been well standardized.
3. The provision of MSME development facilitation is still manual and not yet integrated through the system.
4. There is no service system that can facilitate MSME actors in reporting activities and recording MSME financial transactions.

In order to achieve accelerated success in the development of the Jakarta Entrepreneur program, a collaborative platform is needed as a collaborative governance strategy that broadly covers the policy context of problem-solving strategies. Although there is a lot of literature on aspects of collaboration involving many stakeholders, such governance has not been supported by the existence of a platform that can catalyze the organization (Ansell & Gash, 2018). With reference to Emerson and Nabatchi's (2015) theory that explains collaborative governance through an integrated framework that includes the system context of the collaborative governance regime, elaborated with Ansell and Gash's (2018) theory that explains the logic of a collaborative platform with key points including agenda, distinctive logics, structure, and strategy. Ansell and Gash's (2018) framework relates to the idea inherent in creating a platform through a stable framework to facilitate a more flexible mode of governance that is adaptable to changing conditions, times, and opportunities. The main points of Emerson and Nabatchi (2015), as well as Ansell and Gash (2018) are the guidance theory to be analyzed and seen its influence on the financial performance of MSMEs, which then operationalizes the variables so as to obtain the outcome of the collaborative platform model in the creation of a platform model for integrated MSME services and its contribution to the regional economy, which in this case relates to the condition of MSMEs Upgrading based on the theory of Memba (2012). This is the basis that the collaborative platform is an adaptive governance strategy as a form of handling the opportunities and challenges of handling MSME services in DKI Jakarta.

This research aims to analyze the influence of collaborative governance on the performance of Micro, Small, and Medium Enterprises (MSMEs) through the collaborative platform, the interaction relationship between stakeholders (in the perspective of collaborative governance) and its influence on improving the performance of MSMEs, the role of the collaborative platform as an instrument of governance policy in improving the performance of MSMEs, and developing a model of collaborative platform MSMEs that can improve the performance of MSMEs. The research questions raised are:

1. How much influence does collaborative governance have on the performance of Micro, Small and Medium Enterprises (MSMEs) through the collaborative platform?
2. How is the interaction relationship between stakeholders (in the perspective of collaborative governance) and its influence on improving the performance of MSMEs?
3. How is the MSME collaborative platform model capable of improving MSME performance?

## **LITERATURE REVIEW**

### **Concept of Public Administration**

Public administration etymologically comes from the words administration and public. The word administration comes from the Greek "*ad*" and "*ministrare*" which means "to serve". Public administration is cooperation carried out by a group of people or institutions in carrying out government tasks in meeting public needs efficiently and effectively (Pasolong, 2011). According to Chandler & Plano in Pasolong (2011), public administration is a process in which public resources and personnel are organized and coordinated to formulate, implement, and manage decisions in public policy. Meanwhile, Jhon M. Pfiffner and Robert V. Presthus (1960), define public administration: 1) includes the implementation of government policies that have been determined by political representative bodies; 2) coordination of individual and group efforts to implement government policies, including the daily work of the government; 3) a process related to the implementation of government policies and directing a number of people. Thus, public administration emphasizes more on the role of the public to achieve goals.

### **Concept of Governance**

Governance includes the totality of all institutions and elements of society, both governmental and non-governmental. The term "governance" as a form of pronoun for "government", this understanding is very common but it needs to be understood that "governance" is not a synonym for "government". Governance pays attention to the importance of stakeholder involvement in the decision-making process, this is because the decision-making process and its implementation are increasingly complex with challenges and problems faced (Dwiyanto, 2018).

Leach and Percy Smith (in Sumarto, 2009) reveal the differences related to these two concepts as follows:

1. Government implies that politicians and governments organize, do things, provide services and while the rest of the elements of a country are passive.
2. While governance merges these meanings, by stretching the rigidity between the government and the governed (the passive part of the state), so that the passive part has a role and contribution from the government part.

### **Collaborative Governance**

Collaborative Governance Regime (CGR) is a collaborative governance term initiated by Emerson and Nabatchi (2015) with a broader scope of collaborative systems. Furthermore, Emerson and Nabatchi divide 3 (three) mutually influential process components in collaborative governance or called collaboration dynamics, including: 1) principle engagement (relationships based on principles); 2) shared motivation (motivation that refers to common goals); and 3) joint capacity (joint action on governance processes) (Emerson & Nabatchi, 2015). This set of components specifically forms the collaborative framework shown in the framework by Emerson and Nabatchi (2015).

## **The Collaborative Platform Concept**

In building a successful collaborative platform ecosystem, it is not only the architecture of the platform that can determine its success, but also the governance of the ecosystem surrounding the platform (Tiwana, Konsynski, & Bush, 2010). Therefore, in compiling the governance aspects of collaborative platforms, this study refers to a set of governance mechanisms. Although in general collaborative platforms do not mandate collaboration or collaborative governance, but rather catalyze and facilitate voluntary efforts (Ansell & Gash, 2018).

As a strategy to enhance or deepen collaborative governance, platforms have the challenge of being basic, time-consuming, risky and can lead to stagnant results that tend to lead to failure. Currently, government engagement in creating and maintaining collaborative platforms to bring together different actors and enable value-added collaboration in service delivery, governance, and policy planning is limited (Haveri & Anttiroiko, 2023). Collaborative platform mechanisms and collaborative governance influence the way activities are conducted and affect the concept of the organization (De Falco, Renzi, Orlando, & Cucari, 2017).

Basically, the platform concept has a close relationship with various other concepts. In governance, Osborne (2010) argues that public governance will always coexist and interact with various other modes rather than replacing each other. As a new element in the field of public governance, the platform emphasizes the collection and concurrent development of outputs, transparency, user-orientation, and integration to achieve the desired goals (Haveri & Anttiroiko, 2023). In relation, (Ansell & Gash, 2018) also outlines important aspects related to the concept of collaborative platforms that are overall strategic for organizational governance, including:

1. Agenda, each stakeholder may have different agendas or interests.
2. Distinctive Logic, refers to the different understandings, values or perspectives held by stakeholders in the context of collaboration.
3. Structure, refers to the organizational and governance elements of the collaborative platform itself.
4. Strategy, refers to the plans and approaches taken to achieve collaborative goals.

Kerravala (in De Falco et al., 2017) outlines several benefits of the platform, including reducing costs and increasing revenue, contributing to sustainability and competitive advantage, encouraging the development of a product or service, and helping to avoid structural constraints that often occur in organizations.

## **MSME Concept**

Each country is free to define MSMEs according to its geographical and practical conditions (Kapizionis, 2015). MSMEs are a heterogeneous group of businesses with the category of independent and small companies, including employee conditions to capital revenue on a small scope (Muhallab & Jianguo, 2016). Based on Undang-Undang No. 20 Tahun 2008, MSMEs have several divisions or classifications of layers, including micro, small and medium enterprises. It is further explained that the identification of parameters for the classification of MSMEs regulated in Undang-Undang No. 20 Tahun 2008 uses parameters or criteria for assets and annual revenue. For micro businesses with a maximum business capital of Rp 50 million (excluding land and buildings of the business premises) with an annual revenue of Rp 300 million, small businesses with a business capital ranging from Rp 50 million - Rp 500 million (excluding land and buildings of the business premises) with a revenue of Rp 300 million - Rp 2.5 billion per year, and medium-sized businesses with a business capital ranging from Rp 500 million - Rp 10 billion (excluding land and buildings of the business premises) with a revenue of

Rp 2.5 billion - Rp 50 billion per year. Meanwhile, based on Peraturan Pemerintah No.7 Tahun 2021, the parameters or criteria used in determining the classification of the MSME layer include capital and annual revenue. In this regulation, there is a widening of the size of the asset parameter with capital or equity.

In connection with the classification of the MSME, of course, financial performance is a variable that is able to represent several criteria for the condition parameters of MSMEs in a region, including sales, profits, assets and the number of workers. This is in line with Memba et al (2012) which outlines that the financial performance indicators of SMEs consist of sales per year, profit per year, net assets and the number of workers (Memba, Gakure, & Karanja, 2012). This is also supported by Widodo (2003), that the use of assets, sales revenue and net income are the main aspects of measuring the financial performance of MSMEs, in which case assets are the main resources owned by business actors or can be referred to as wealth owned by business entities and can be clearly measured. Can be concluded that financial performance is the process and results of the achievement of the process of an organization in providing services or products to customers (Trisnantoro in Destiana, 2016).

## **METHODOLOGY**

In this research, the study is focused on the formulation and establishment of a collaboration platform model for Micro, Small and Medium Enterprises (MSMEs) services. For this reason, the research approach that will be used is quantitative research method. The main idea in this research asserts that data collection is built directly on the results of quantitative research.

### **Research sample**

In this study, the unit of analysis that makes up the research population is all Integrated Entrepreneurship Development participants who have reactivated and have a business profile as of November 09, 2023, which is 26,545 participants. As for determining the number of samples to be determined, the author uses the Slovin formula. As for the provisions of the margin of error or confidence interval in the Slovin formula (Sugiyono, 2013), as follows:

Value of  $e = 0.1$  (10%) for large populations

Value of  $e = 0.2$  (20%) for small populations

### **Research Instruments and Variable Operationalization**

The variables in this study will be measured using a Likert scale as a scale for measuring respondents' perceptions of items or research statement items on the questionnaire. With a Likert scale, it turns the measured variables into indicator variables. The indicator is then used as a starting point for compiling equipment instruments which can be in the form of statements or questions (Sugiyono, 2013). There are 3 main variables that reflect the utilization of the platform's role as a facilitation tool for MSME actors' revenue income. The 3 main latent variables include: Collaborative Governance variable (Emerson & Nabatchi, 2015), MSME financial performance variables (Memba et al., 2012), and the Collaborative Platform variable (Ansell & Gash, 2018).

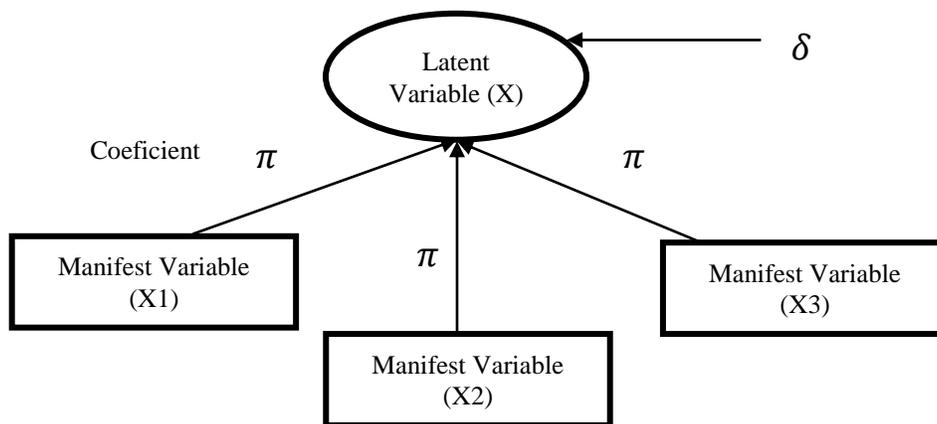
### **Data collection**

The collaborative platform model framework in the MSME sector is the focus of research with the use of samples, namely 100 Jakarta MSME assisted by Jakarta Entrepreneur, from the total population of business actors who have a business profile and have reactivated / updated data of 26,545 (data as of November 2023). The selection of reactivation influenced the condition of active MSME actors and the level of accessibility to the use of the Jakarta

Entrepreneur platform quite often. The sample was also determined based on the criteria of MSME actors in Central Jakarta (15%), North Jakarta (18%), West Jakarta (15%), South Jakarta (16%), East Jakarta (20%), and Kepulauan Seribu (16%) with ownership of varied revenue amounts covering 3 MSME categories namely culinary (79%), fashion (9%), and craft (12%).

**Data analysis techniques and research constructs**

Instrument testing related to the effect of collaborative governance is carried out on the financial performance of MSMEs through the collaborative platform, using the Partial Least Square-Structural Equation Modeling (PLS-SEM) quantitative data testing and analysis method according to Hair et al (2021). Structural Equation Modeling (SEM) is a multivariate data analysis method or technique to produce significant research findings, and comes as a form of development of the limitations of regression data analysis techniques in empirically testing the relationship between variables (Hair, Risher, Sarstedt, & Ringle, 2019). In measuring and predicting the relationship of a variable, SEM takes into account the measurement error (margin of error) on the observed variable. So that the measurement method of the observed theoretical concept is precise (Cole & Preacher, 2014).



$$\text{Latent Variable} = \Sigma(\pi \text{ indikator} + \delta)$$

$$x = \pi x_{11} + \pi x_{22} + \pi_3 x_3 + \dots$$

**Figure 1.** *Formative Measurement Model in PLS-SEM Research*

Source: Jaya & Sumertajaya, 2008

The embedded two-stage approach process starts at the indicator measurement to evaluate the first order measurement and create a latent variable score. The resulting value on the latent variable will be used to represent the measurement of the dimension at the second order stage (Sarstedt, Hair Jr, Cheah, Becker, & Ringle, 2019). Predictive research objectives for the development of structural theory, which in relation to the objectives of this study is to develop the theory of Collaborative Governance (Emerson & Nabatchi, 2015) and Collaborative Platform (Ansell & Gash, 2018) in generating and predicting a collaborative platform model for Micro, Small, and Medium Enterprises (MSMEs) services in DKI Jakarta Province.

**Research Hypothesis**

The hypotheses built in this study include:

H1.0: Collaborative Governance has no significant effect on Collaborative Platform.

H1.a: Collaborative Governance has a significant effect on Collaborative Platform.

H2.0: Collaborative Governance does not have a significant effect on the Financial Performance of MSMEs.

H2.a: Collaborative Governance has a significant effect on the Financial Performance of MSMEs.

H3.0: Collaborative Platform does not have a significant effect on the Financial Performance of MSMEs.

H3.a: Collaborative Platform has a significant effect on the Financial Performance of MSMEs.

H4.0: Collaborative Platform is insignificant in mediating the effect of Collaborative Governance on MSME Financial Performance.

H4.a: Collaborative Platform is significant in mediating the effect of Collaborative Governance on MSME Financial Performance.

**Table 1**

*Loading Factor Value of Manifest Variable (Indicator)*

	A1	A2	A3	A4	C1	C2	C3	C4	B1
A1.1	0.797								
A1.2	0.796								
A1.3	0.715								
A1.4	0.741								
A2.1		0.851							
A2.2		0.916							
A2.3		0.839							
A3.1			0.864						
A3.2			0.842						
A3.3			0.738						
A4.1				0.905					
A4.2				0.890					
C1.1					0.828				
C1.2					0.747				
C1.3					0.861				
C2.1						0.903			
C2.2						0.895			
C3.1							0.885		
C3.2							0.892		
C4.1								0.899	
C4.2								0.903	
B1.1									0.925
B1.2									0.911
B1.3									0.859

Source: Edited by Researchers, 2024

The test results of the manifest variable components show that all of the above manifest variables have a Loading Factor value  $> 0.70$ . This condition proves that the manifest variable is valid and good enough to measure/represent the construct dimension. The communality value is used to measure how well the latent variable explains the indicator variable. If it is known that the Loading Factor value is  $> 0.70$ , then the communality value is  $\geq 0.5$ , which means that at least 50% of the variation in an indicator has been explained by the latent variable.

**Table 2***Composite Reliability and Average Variance Extracted*

<b>Variable</b>	<b>Cronbach's alpha</b>	<b>Composite reliability (rho_a)</b>	<b>Composite reliability (rho_c)</b>	<b>Average variance extracted (AVE)</b>
<b>System Context</b>	0.760	0.762	0.848	0.583
<b>Drivers</b>	0.838	0.842	0.903	0.756
<b>Collaboration Dynamic</b>	0.748	0.762	0.856	0.666
<b>Generating Change</b>	0.760	0.763	1.893	1.806
<b>Agenda</b>	0.743	0.754	0.854	0.661
<b>Distinctive Logics</b>	0.762	0.763	0.894	0.808
<b>Structure</b>	0.732	0.733	0.882	0.789
<b>Strategy</b>	0.768	0.768	1.896	1.812
<b>Kinerja Keuangan UMKM</b>	0.881	0.896	1.926	1.807

Source: Edited by Researchers, 2024

In Table 2, the Collaborative Governance variable consisting of the System Context dimension has a CR value of  $0.762 > 0.70$ , which indicates that the System Context dimension has an acceptable level of reliability. Overall, the manifest variables that measure the System Context dimension are consistent / reliable in measuring System Context. Therefore, with the CR value the dimensions of System Context, Drivers, Collaboration Dynamics, Generating Change, Agenda, Distinctive Logics, Structure, and Strategy are reliable ( $>0.70$ ). The AVE value of the System Context dimension is  $0.583 > 0.50$ , which means that the large variation of manifest variables A1.1; A1.2; A1.3; A1.4; A1.5; and A1.6 of 58.3% meets the requirements of good convergent validity.

Meanwhile, the Collaborative Platform variable which includes the Agenda dimension has a CR value of  $0.743 > 0.70$ , which indicates that the Agenda dimension has an acceptable level of reliability. Overall, the manifest variables that measure the Agenda dimension are consistent/reliable in measuring the Agenda. Therefore, with the CR value of the Agenda, Distinctive Logics, Structure, and Strategy dimensions are reliable ( $>0.70$ ). The AVE value of the Agenda dimension is  $0.661 > 0.50$ , which means that the large variation of the manifest variables C1.1; C1.2; and C1.3 of 66.1% meets the requirements of good convergent validity.

The dimensions of the MSME Financial Performance variable have a CR value of  $0.881 > 0.70$ , which indicates that the dimensions of MSME Financial Performance have an acceptable level of reliability. Overall, the manifest variables that measure the dimensions of MSME Financial Performance are consistent/reliable in measuring MSME Financial Performance. Therefore, with the CR value, the MSME Financial Performance dimension is reliable ( $>0.70$ ). The AVE value of the MSME Financial Performance dimension is  $0.808 > 0.50$ , which means that the large variation of manifest variables B1; B2; and B3 of 80.8% meets the requirements of good convergent validity.

Overall, the AVE value of the Collaborative Governance variable (dimensions of System Context, Drivers, Collaboration Dynamics, Generating Change, Agenda, Distinctive Logics, Structure, and Strategy); Collaborative Platform variable (dimensions of Agenda, Distinctive

Logics, Structure, and Strategy); and MSME financial performance variable > 0.50 (good convergent validity).

**Second Stage Outer Model Evaluation; Formative Constructs**

The test results prove that there is a strong correlation or relationship between the construct variables System Context, Drivers, Collaboration Dynamics, and Generating Change; Agenda, Distinctive Logics, Structure, and Strategy; MSME Financial Performance. And the outer weight evaluation shows that from the test results, the outer weight design p-value is <0.05, indicating that the manifest variables have a significant effect in forming the construct variables. So that the construct variables System Context, Drivers, Collaboration Dynamics, and Generating Change; Agenda, Distinctive Logics, Structure, and Strategy; MSME Financial Performance are retained in the analysis process.

**Structural Model Testing - Inner Model**

**Table 3**

*Hypothesis Test Table*

	<i>Original sample (O)</i>	<i>Sample mean (M)</i>	<i>Standard deviation (STDEV)</i>	<i>T statistics ( O/STDEV )</i>	<i>P values</i>	<i>F Square</i>	<i>R Square</i>
<i>Collaborative Governance → Collaborative Platform</i>	0.014	0.015	0.008	1.762	0.039	0.065	0.999
<i>Collaborative Governance → Kinerja Keuangan UMKM</i>	0.406	0.413	0.155	2.627	0.004	0.063	0.523
<i>Collaborative Platform → Kinerja Keuangan UMKM</i>	0.335	0.328	0.156	2.153	0.016	0.043	0.523
<i>Collaborative Governance → Collaborative Platform → Kinerja Keuangan UMKM</i>	0.005	0.004	0.003	1.814	0.035	0.00469	

Source: Edited by Researchers, 2024

Based on the calculations that have been carried out, Collaborative Governance has a positive effect on the Collaborative Platform, with a path coefficient value of (0.014), and is significant, with a P-Value of 0.039 < the significance level of 0.05 or 5%. Collaborative Governance is able to explain the variation in the Collaborative Platform variable by 99.9%. This indicates that H1.a is ACCEPTED. Furthermore, the results show that H2.a is also ACCEPTED, indicated by Collaborative Governance which has a positive effect on the financial performance of MSMEs, with a path coefficient value of (0.406), and significant, with a P-Value of 0.004 < the significance level of 0.05 or 5%. Collaborative Governance is able to explain the variation in the MSME Financial Performance variable by 52.3%.

Collaborative Platform has a positive influence on the financial performance of MSMEs, with a path coefficient value of (0.335), and is significant, with a P-Value of 0.016 < 0.05 or 5% significance level. Collaborative Platform is able to explain variations in the MSME Financial

Performance variable by 52.3%. This supports H3.a. Collaborative Platform has a low effect as a mediating relationship between Collaborative Governance and MSME financial performance, and is significant with a P-Value of  $0.035 <$  the significance level of 0.05 or 5%. So the role of the Collaborative Platform in this case needs to be improved.

## RESULTS AND DISCUSSIONS

The collaborative platform concept, developed by Ansell & Gash, has a potential as a strategy in terms of governance that involves the role of technology, software and networking. This research explores the potential of the collaborative platform approach with a broader view of the synergy between actors on the financial performance aspects of MSMEs, specifically in Jakarta (in addition to expanding the use of the "IT" platform concept in the scope of public administration). The collaborative platform in this case refers to the Jakarta Entrepreneur platform. The results of the quantitative review show significant support ( $p$ -value  $0.035 <$  the significance level of 0.05 or 5%) provided by the collaborative platform as an instrument of collaborative actors to drive the financial performance of MSME actors, although the influence provided is weak (H4.0 accepted), although the role of the Collaborative Platform directly has a good influence on the financial performance of MSME actors (H3.a accepted). This shows that there is a linear relationship between facilitation engagement through maximum platform usage and revenue achievement (reality of platform usage). This condition determines that improvements need to be made to the existing conditions of Jakarta Entrepreneur.

The existing condition of Jakarta Entrepreneur as a platform as a whole has accommodated and covered the needs of MSME actors, as it includes facilitating registration, training, mentoring, licensing, marketing, financial reporting, and business capital (known as 7 steps to success). However, the role of Jakarta Entrepreneur in terms of a platform that bridges the relationship between MSME actors and stakeholders in interacting has not been fully implemented by MSME actors to the fullest, in addition to the integration process of the platform which is currently still undergoing development (both from features, ease of accessibility, display design, to overall content). The minimal understanding of MSME actors regarding literacy and the use of digital aspects in their business development, indicates the involvement of the role of "facilitators" in facilitating the development and empowerment of MSME actors who are more dominant in using or accessing the Jakarta Entrepreneur platform.

This condition is not in accordance with the concept of the platform as a mediator that is able to provide a more dominant role in playing an interdependent role between all parties. This certainly makes Jakarta Entrepreneur as an instrument that mediates the role between stakeholders less useful for the Jakarta MSME actors (in relation to increasing the revenue of MSME actors). This is because the platform has the responsibility to manage both vertical and horizontal dependencies. The dependency of the two relationships is the object to be combined through the platform as a mediator role (Geels & Deuten, 2006). From these findings, it can be concluded that the platform approach is one way of packaging how collaborative governance is promoted and facilitated as a policy instrument. This is because the role of the collaborative platform helps facilitate multilateral collaborative relationships.

Most public institutions, local communities, foundations and NGOs often "fail" at collaborative governance as they seek to break political deadlocks and manage pressing problems (Ansell & Gash, 2018) Various efforts are currently being made with the aim that Jakarta Entrepreneur as a platform has a high contribution to its role as a strategic platform for

the scope of MSME actors, not just a solution to the political needs of certain interests. However, of course, these efforts need to be supported by the involvement of stakeholders in it.

The interaction relationship between stakeholders (in the perspective of collaborative governance) which is accommodated through a collaborative platform, in terms of its influence is 99.9% (H1.a is accepted). If reviewed more deeply, it has produced a positive influence on the financial performance of MSME actors (with a path coefficient value of 0.406) and significantly ( $p$ -value  $0.004 < \text{significance level } 0.05$  or 5%), which in general aspects of collaborative governance between stakeholders are able to explain the variance of the financial performance variable by 52.3% (H2.a accepted). This condition shows that MSME actors have understood that there must be a balance and interrelationship in supporting the provision of facilitation by involving all stakeholders, which as a whole needs to be packaged through a system (Innes & Booher, 2010). In line with this statement, Jakarta Entrepreneur as a platform has sought the involvement of all stakeholders although each actor has not fully integrated their role.

However, so far, the interactions that are being established between stakeholders and MSME actors still seem to be "one-way", which can be interpreted that the platform in this case has not been able to become a communicative forum between stakeholders. This "one-way" role is illustrated through the form of providing facilitation from stakeholders after a request for facilitation that MSME actors want to receive. In fact, this condition has indirectly been facilitated into a form of two-way interaction through the Jakarta Entrepreneur platform, especially since there is a companion role to translate all information. It's just me, related to the form of interaction formed between stakeholders is not yet integrated. Currently, the interaction is still focused only on MSME actors (not yet between collaborator actors).

Furthermore, MSME actors also hope that Jakarta Entrepreneur will also develop application-based accessibility aspects, which are more user-friendly to be accessed via smartphones. This is related to the development that continues to be carried out by the developer in playing an ideal collaborative platform model, especially in facilitating Jakarta MSME actors who do not escape the involvement related to the interaction relationship between stakeholders established through the Jakarta Entrepreneur platform.

The findings in this study also support the establishment of a collaborative platform model for MSME actors to improve their business financial performance (revenue). Not only confirming, this review also produces the concept that the financial performance conditions of MSME actors will improve if business actors have implemented and maximally utilized the platform as a tool in developing and empowering their businesses.

1. The Collaborative Platform dimension is a very important predictor of MSME financial performance for businesses that have high performance.
2. The Collaborative Governance dimension is a predictor of MSME financial performance that is less considered for businesses that have high performance.

Meanwhile, businesses that are less active in implementing and utilizing the Collaborative Platform will have stagnant or even declining revenue.

1. The Collaborative Governance dimension is a very important predictor of MSME financial performance for businesses that have poor performance (low).
2. The Collaborative Platform dimension is a predictor of MSME financial performance that is less important for businesses that have poor performance (low).

As a flexible framework, the platform can fulfill various dynamic needs, in addition to its function as a database for users. Given that a robust MSME development and empowerment environment can only be facilitated by the flexible nature and structure of MSMEs (Aboelimged,

2018). This is because platforms are often designed to enable heterogeneous and highly distributed actions and to integrate widely varying components (Ansell & Gash, 2018).

Providing access to digital technology, increasing digital literacy, access to networks and partnerships, and access to financing are some of the benefits of the platform. So, by looking at these benefits, it shows that this collaborative platform also has an important role in helping MSMEs to upgrade. Upgrading MSMEs means encouraging them to grow, expand their business scale, increase their competitiveness in the market, and obtain an increase in business revenue. The presence of this platform allows MSME actors to collaborate with various parties, such as the government, corporations, and financial institutions, so that they can access knowledge, technology, and markets that were previously difficult to reach.

So, the platform is able to show the nature of the "organization" which is still less than perfect, although it has maximum potential in understanding the demands of various sectors to balance the conditions of stability and change that occur, especially in the context of finding a collaboration model as the formation of a collaboration platform model for ideal integrated MSME services. Such findings can be empowered to become a strategic step for policy-making actors to develop and empower MSME actors in Jakarta, which focuses on the role of the platform with the aim of increasing the revenue of Jakarta MSME actors.

## **CONCLUSION**

This research is an exploration of the development of the Collaborative Platform concept by Ansell & Gash (2018) in relation to a broader scope, namely MSMEs. In addition, this research also enriches the scientific study of public administration related to the Collaborative Platform concept as a collaborative governance policy instrument because up to now the study of the development of the platform model is still limited to technological elements or the role of digitalization. Based on the condition of the results of previous research sourced from the literature study conducted, it is known that the current collaboration platform model has not focused on integrated MSME services. Thus, this research proposes an integrated MSME service Collaborative Platform model.

The model was empirically validated through PLS-SEM Analysis method using data from 100 MSMEs in Jakarta facilitated by Jakarta Entrepreneur, selected from the total population of businesses that have a business profile and have reactivated or updated data, which amounted to 26,545 (data as of November 2023). The test results show that this model in its application to Jakarta Entrepreneur is still not ideal, especially on the collaborative platform variable. The use of collaborative platform is directly proportional to efforts to increase business revenue. Therefore, the role of the collaborative platform needs to be improved both in terms of the community as platform users and service recipients as well as the developers who are tasked with facilitating the interaction of all parties integrated by the system.

An integrated system through the role of digitalization as a form of collaborative platform is a more flexible organizing framework that also has the potential to understand the demands of public sector governance in balancing stability and change and the relationship between collaborators, especially with regard to the conditions of MSME actors who are a strategic issue in this case. A platform can provide positive results and reciprocity for governance by bringing together organizational design and culture, adaptive governance, skills, resources, perspectives, integrity and synergy from stakeholders on collaborative policy relationships that include government, society, academia, business, media, and the role of Non-Governmental

Organizations (NGOs). Therefore, achieving good and quality collaborative governance is strongly influenced by the quality of collaboration between stakeholders.

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