

The Development of the Partnership Program and Business Performance: in Terms of Communication Behavior and Social Networks of MSMEs

Muhammad Reza Aulia^{1*}, Junaidi², Eka Hendrayani³, Muhammad Rizki⁴, Mulyadi⁵, Akmal

Abdullah⁶

¹ University of Teuku Umar

² University of Medan Area

³ Institute of Technology and Business Haji Agus Salim

⁴ NIPA School of Administration

⁵ University of Ibnu Sina

⁶ Polytechnic of Pertanian Negeri Pangkep

muhammadrezaaulia@utu.ac.id

Abstract. Partnerships play a pivotal role in the growth of Micro, Small, and Medium Enterprises (MSMEs), yet further investigation is warranted to understand the variables that influence partnerships. This study aims to explore the impact of communication behavior and social networks on partnership programs and business performance. A sample of 243 MSMEs business actors was surveyed to collect data, with each variable tailored to match the specific measurements. Data analysis was conducted using Partial Least Square with Smart PLS 4. The study's findings underscore the significance of communication behavior and social networks in the development of partnership programs. Improving communication behavior and fostering social networks contribute positively to the establishment of robust partnership initiatives. Moreover, it was revealed that strengthening social networks and advancing partnership programs leads to improved business performance. This research sheds light on the key factors that drive successful partnerships among MSMEs and their subsequent impact on business performance. The insights gleaned from this study can inform strategies for fostering effective partnerships and enhancing overall business outcomes for MSMEs. Future research should continue to explore the dynamics of partnerships in different contexts and delve deeper into the mechanisms through which communication behavior and social networks influence the success of partnership programs and MSMEs' business performance.

Keywords: Communication Behavior, MSMEs Performance, Partnership Programs, Social Network

1. Introduction

Businesses often cooperate with others to get resources. Strategic networking research shows that network linkages provide MSMEs access to external resources, information, and opportunities, improving their competitiveness. Relationship quality determines resource availability and cooperation. supplier-chain management study shows that MSMEs may solve operational issues by accessing resources via their supplier chains. Zeng et al. (2010) claim that interfirm cooperation improves MSME innovation performance. Srinivasan et al. (2011) also found that seller–buyer relationships improve supply-chain effectiveness for MSMEs. Nyaga and Whipple (2011) stated that a company's operational performance depends on its capacity to maintain favorable relationships with key partners. Partnerships may boost corporate success. Businesses may leverage operational abilities and relationships to compete (Tu et al., 2006). A corporation may use resource coordination abilities (Gardet & Mothe, 2012) and the study of market dynamics as a means to achieve competitive advantages (Cepeda & Vera, 2007; Liu et al., 2013; Wu, 2010). According to Luo et al. (2010), coordination capability (CC) is a capability that is particular to a firm. Additionally, Gardet and Mothe (2012) argued that coordination has the potential to effectively integrate both external and internal activities and resources, hence mitigating conflicting objectives and uncertainties in cooperative endeavors.

MSMEs have great promise, yet some are poorly managed and fail. According to firm standards, MSMEs' success is based on people or groups performing particular tasks and duties over a period of time. However, many MSMEs, particularly those that received support, failed (Mutegi, 2015). 15% of MSMEs fail due to mismanagement and ignoring their industry. MSMEs' success attracts numerous managers. MSMEs' strategic relevance and limited expansion capability need good management. Partnerships between micro, small, and medium-sized companies (MSMEs) and programs to improve business continuity, resource quality, partner revenue and income, and firm scale to strengthen partner group business capacity.

MSMEs may benefit from this collaboration model (Wulandari, 2020). MSMEs' success depends on partnerships. Collaboration and community development are two initiatives. The first program uses SOE income to help small enterprises grow strong and independent. The second initiative, environmental development, uses SOE revenues to enhance local socioeconomic conditions. Partnership and environmental development program finance is limited to two percent of net profit.

The Minister of State-Owned Companies directed PT. Perkebunan Nusantara III to run the Partnership Program from 2002. PT Perkebunan Nusantara III implemented the Partnership Program in North Sumatra. From 2002 to 2011, PT. Perkebunan Nusantara III helped North Sumatra small businesses via its Partnership Program. The partnership program should stimulate the microeconomy, but it hasn't. MSMEs under PTPN III are expected to grow and improve despite competition. PTPN III partners manage the partnership program. MSMEs do successfully if they expand sales, profitability, capital, customers, objectives, and expectations. PTPN III funds corporate development. MSMEs should benefit from this effort. However, the partnership program may prevent partners from paying the agreed-upon amounts. The fostered partners have yet to commit to the agreements. These partners generally regard loans as free gifts. This partner will only pay if PTPN III workers collect monthly payments at their home or business. PTPN III considers this partnership a gift to MSMEs.

MSMEs have underperformed. PT. Perkebunan Nusantara III's partnership program is facing a growing number of non-paying partners. Supported partners do not own social networks. The partnership program just provides loan capital and does not mentor fostered partners. Thus, this affects MSMEs, especially in company growth.

Mismanagement and lack of business focus cause many MSMEs to fail. We can determine partnership program effectiveness by studying their effects on company performance. This information may assist build focused management techniques that improve program results and company success. This analysis shows that PT. Perkebunan Nusantara III's partnership initiative has failed.

Communication behavior, social networks, and commercial success in partnership programs may help create more effective and sustainable programs. Program administrators may better assist MSMEs by understanding how communication and social networks affect these activities.

The cooperation initiative aims to help MSMEs grow and compete. Thus, studying this program's MSMEs' performance variables is important theoretically and practically. We can help MSMEs succeed and survive by identifying company success and growth factors. To develop and maintain Micro, Small, and Medium Enterprises, partnership programs, communication behavior, social networks, and company performance must be studied. This study may help MSMEs survive in competitive marketplaces by boosting partnership programs, management practices, and collaborative ecosystems. This research may improve MSMEs' assistance and development, boosting economic growth.

2. Literature Review

The primary objective of the theoretical framework in this study is to investigate the correlation between partnership programs, communication behavior, social networks, and business performance within the realm of Micro, Small, and Medium Enterprises (MSMEs). The proposed framework posits that partnership programs have the potential to significantly contribute to the enhancement of competitive advantages and business performance of micro, small, and medium enterprises (MSMEs) through the provision of access to external resources, knowledge, and opportunities. Furthermore, it is crucial to maintain the quality of relationships within these partnerships in order to facilitate effective collaboration and ensure the availability of resources.

2.1. The Impact of Partnership Programs on Business Performance

According to the proposed framework, the presence of successful partnership programs has the potential to exert a positive influence on various indicators of business performance. These indicators include current sales figures, annual profits, capital growth, the number of customers acquired on a yearly basis, the attainment of organizational goals, and the ability to meet existing market demands. According to the existing literature, it has been noted that partnership programs that are effective have the potential to offer micro, small, and medium enterprises (MSMEs) with the essential resources, funding, and training required to enhance their business capabilities and overall performance (D'Angelo, 2020). Through the establishment of strategic partnerships, micro, small, and medium enterprises (MSMEs) have the potential to enhance their competitive advantages, leading to improved business outcomes.

2.2. The Role of Communication Behavior in Partnership Success

The success of partnerships is heavily influenced by the behavior exhibited in communication. The cultivation of a collaborative working relationship can be facilitated through the promotion of effective communication quality, information sharing, and active participation among partners, ultimately resulting in a heightened level of partnership success. According to existing scholarly literature, effective communication practices within micro, small, and medium enterprises (MSMEs) play a crucial role in fostering robust relationships, ensuring employee alignment with organizational goals, and attaining success in a highly competitive business environment (Hedin et al., 2020). Therefore, the proposed framework posits that the success of partnership programs is influenced in a positive manner by effective communication behavior.

2.3. The Impact of Social Networks on Business Performance

The presence of social networks has the potential to exert a substantial influence on the performance of micro, small, and medium enterprises (MSMEs). The establishment of robust social networks within partnership programs has the potential to facilitate access to novel markets, resources, and knowledge (Khuzaeni, 2018). The establishment of a robust social network has the potential to assist micro, small, and medium enterprises (MSMEs) in surmounting operational obstacles and augmenting their competitive advantage. Hence, the framework posits that a robust social network has a positive impact

on organizational performance.

2.4. The Role of Partnership Programs in Facilitating Social Networks among MSMEs

Partnership programs have the potential to facilitate the formation and growth of social networks within the context of micro, small, and medium enterprises (MSMEs). Partnership programs have the potential to foster networking and collaboration among diverse businesses by aligning them towards a shared objective (Wulandari, 2020). The establishment of a prosperous partnership program can result in the creation of robust social bonds and affiliations among micro, small, and medium enterprises (MSMEs), thereby enhancing their overall expansion and advancement.

2.5. The Relationship Between Communication Behavior and Social Networks

The cultivation of robust social networks can be facilitated through the practice of effective communication behavior between partners. According to Wibisono (2019), the promotion of trust and cooperation, as well as the formation of strong social connections, can be facilitated through open communication and the sharing of pertinent information among partners. Therefore, it is anticipated that communication behavior will exert a favorable influence on the growth and establishment of social networks within collaborative initiatives.

2.6. The Interplay Between Social Networks and Partnership Success

The proposed framework posits a reciprocal association between social networks and the attainment of successful partnerships. According to Azizah (2017), the presence of robust social networks can contribute to the establishment of prosperous partnerships through the facilitation of cooperation, fostering trust, and enabling mutual benefits. On the other hand, it is worth noting that successful partnerships have the potential to bolster social networks within the micro, small, and medium enterprises (MSMEs) sector through the improvement of their connections and collaborative efforts (Mofokeng, 2019). Hence, there exists a reciprocal relationship between social networks and the achievement of successful partnerships.

2.7. Hypothesis Development and Research Framework

The comprehensive literature review underscores the significance of partnership initiatives, communication patterns, and social networks in fostering the development and long-term viability of micro, small, and medium enterprises (MSMEs). This study presents empirical evidence indicating that the implementation of partnership programs can significantly augment the competitive advantages and overall performance of micro, small, and medium enterprises (MSMEs) through the provision of valuable resources and support. Furthermore, the impact of communication behavior and social networks on the effectiveness of partnership programs and the overall performance of businesses cannot be overstated.

Nevertheless, the existing body of literature exhibits certain deficiencies that this study seeks to rectify. Existing literature recognizes the importance of communication behavior and social networks, but there is a dearth of research specifically investigating their influence on partnership programs for micro, small, and medium enterprises (MSMEs). The objective of this study is to address the existing disparity by investigating the interaction between communication behavior, social networks, and the achievement of partnerships within the specific domain of micro, small, and medium enterprises (MSMEs).

Furthermore, there is a body of literature that highlights the significance of mentors in the context of micro, small, and medium enterprises (MSMEs) by providing assistance in their growth and interactions with financial institutions (Sarpong & Teirlinck, 2018; Liu, 2021; Prihastono, 2020). However, the specific role of mentors in partnership programs and their impact on the performance and success of these programs have received limited attention in scholarly research. The primary objective of this study is to provide insight into the significance of mentors in the realm of supporting Micro,

Small, and Medium Enterprises (MSMEs) within the context of partnership programs, as well as their influence on the overall performance of these enterprises.

The literature review ultimately underscores the potential advantages of partnership programs in enhancing the quality of life within the community and cultivating enduring social responsibility (Khuzaeni, 2018). Nevertheless, there exists a dearth of comprehensive research pertaining to the enduring consequences and viability of collaborative initiatives on micro, small, and medium enterprises (MSMEs) as well as the wider community. The objective of this study is to enhance comprehension regarding the enduring consequences of partnership programs and their capacity to generate favorable social and economic effects.

In micro, small, and medium-sized businesses, network strength (network) is equally crucial (MSMEs). The degree of interconnectedness within a business network can be observed as corporate actors establish collaborative agreements with external entities to bolster their operational activities. A network refers to a set of social structures that consist of interconnected nodes, commonly known as edges or ties. The network is comprised of three key actors: market administrators, suppliers, and micro, small, and medium-sized companies (MSEs). Each of these actors assumes vital responsibilities in facilitating the exchange of information and resources, thereby contributing to the collective achievement of success (Ratukani, 2020).

A business network is an economic framework utilized to facilitate coordination and foster collaboration among the constituents of an organization. These components are frequently structured as business units, although they can also be non-business units arranged in a sequence that aids in the execution of business units. Social networks provide access to information and expertise, so enhancing the comprehension of building robust and flexible connections with consumers and other components of the supply chain. Enhancing the level of collaboration with suppliers is expected to have a substantial impact on the overall performance of the organization, namely in terms of cost effectiveness, enhancement of product quality, reliability, and the ability to consistently meet input demands. Furthermore, service providers have the opportunity to broaden their knowledge base by seeking information from various sources regarding market trends, emerging technology, and actions taken by competitors. Entrepreneurs who achieve success acknowledge the significance of establishing a network of professional contacts when embarking on a new business endeavor. Business networks have the potential to facilitate the expansion and long-term viability of a company. The existence of a business network facilitates entrepreneurs in obtaining crucial knowledge and assistance, thereby exerting a favorable impact on the development of their enterprises (Hendrawan, 2020).

- *H1: Improving communication behavior will develop a partnership program*
- *H2: Improving social network will develop a partnership program*
- *H3: Improving social network will increase a business performance*
- *H4: Through the partnership program, improving social networks indirectly will increase business performance*

By leveraging cash from SOE profit shares, the partnership program can be perceived as an endeavor aimed at facilitating the growth and enhanced self-reliance of small firms. The objective of this cooperation program is to augment the capabilities of small firms, enabling them to achieve robustness and self-reliance. This will be accomplished through the provision of financial resources as well as comprehensive training in human resources management, ensuring their ability to sustain marketing efforts and ensure company continuity in the future (D'Angelo, 2020).

- H5: developing partnership program will increase a business performance

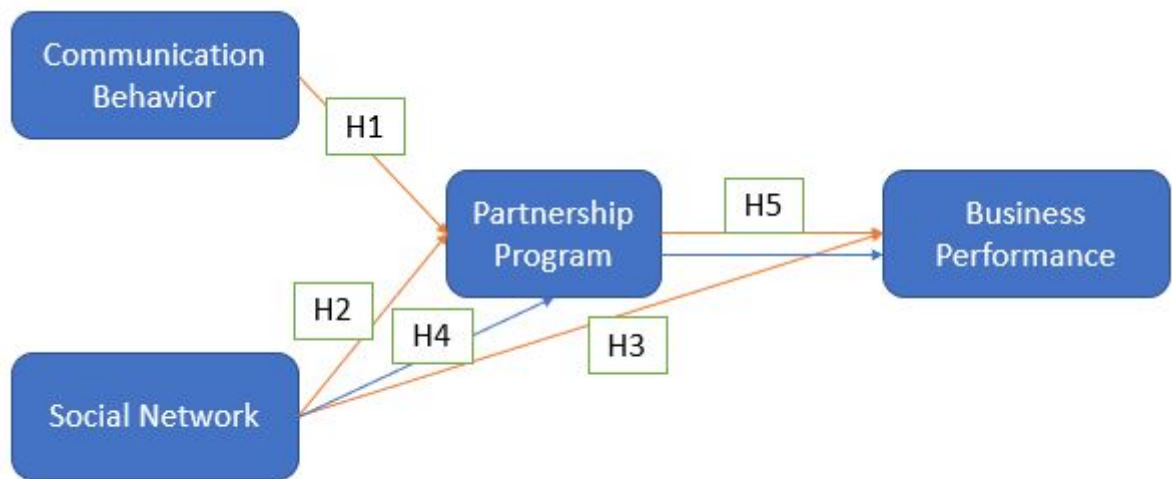


Fig. 1: Research Framework

Figure 1 shows the research framework used in this study. The research framework is a visual conceptualization of how the variables in the study are interconnected and how these relationships are expected to operate.

3. Research Methodology

3.1. Data Source

Researchers obtained data for this study from both primary and secondary sources. The primary and secondary data sources used are as follows (Sugiyono, 2019):

1. Primary Data

The most reliable data is information collected directly from respondents through questionnaires or surveys. Indicators for each independent, dependent, and intervening variable were initially included in the research questionnaire.

2. Secondary Information Sources

Secondary data, or supplementary data, can be obtained from reports, publications, organizational structures, the Internet, and pertinent literature. This study's ancillary data includes a report on the assessment outcomes of the partnership program and PT. Perkebunan Nusantara III's organizational structure.

3.2. Sampling Method

Lubis (2021) defines a sample as a subset of a population selected using a specific procedure or method to represent the population. Purposive random sampling is a type of sampling method that involves selecting respondents at random based on specific criteria (Sugiyono, 2019). The technique of purposive sampling is utilized to target MSME business actors who are receiving assistance from partners and are actively involved in the partnership program. Consequently, the sample for this research consists of 243 MSME business actors actively participating in the partnership program and supported by PT. Perkebunan Nusantara III. According to G-Power calculations, the sample size satisfies the minimal requirement.

The number of MSME partners of PTPN III in 2021 was 1372, categorized into two types, namely those with smooth and irregular payments. The sample represents a subset of the population that is

representative of the entire population, and the selection of the sample is based on a particular procedure or method. Purposive random sampling is one form of sampling. (Sugiyono, 2019) Purposive random sampling is a technique for determining a sample based on specific criteria, with respondents selected at random. The purpose of using a purposive sample is to concentrate on MSME actors with seamless payments. Consequently, the sample for this research consists of 243 MSME actors with seamless installment payments. According to G-Power calculations, the sample size satisfies the minimal requirement.

3.3. PLS Analysis

The utilization of regression in conjunction with path analysis enables the application of the Partial Least Squares (PLS) analysis approach to examine hypotheses pertaining to intricate direct or indirect associations among variables. Please conduct a comprehensive analysis of the relationship between the dependent and independent variables.

For PLS analysis, one can utilize programs such as SMART PLS 4, which can characterize all of the relationships in the theory-based model. This program is capable of analyzing the effect of Partnership program on Business Performance and other variables Partnership Program.

According to Hair et al. (2022), PLS has a number of benefits, such as:

1) PLS can manage complex models with a large number of dependent and independent variables, whereas other methods cannot always do so.

2) PLS can manage data with multicollinearity issues between independent variables, i.e., situations in which the independent variables are extremely correlated with one another.

3) PLS is able to deal with absent or atypical data while still producing reliable results. This is beneficial because absent or anomalous data are ubiquitous in real-world data sets.

4) PLS can be applied to both reflective and formative constructs, which differ in their definition and measurement of model constructs.

5) PLS can be applied to tiny samples, which is advantageous when obtaining a large sample size is challenging or costly. In addition, the data are not required to have a normal distribution, which is commonly inferred by other methods.

6) PLS is capable of handling a variety of scale types, including nominal, ordinal, and continuous data. This is advantageous because various categories of data require different statistical methods, and PLS is capable of handling a wide variety of data types.

There are distinctions between SEM and PLS. While SEM is typically used to evaluate hypotheses, PLS is predictive. PLS encompasses two distinct models, namely the measurement model and the structural model. The measurement model elucidates the association between the observed variable and the underlying variable, whereas the structural model delineates the interrelation among latent variables. Ensuring the validity and reliability of the measurement model is of utmost importance, whereas the evaluation of the structural model relies on the explanatory power and statistical significance of the path coefficient.

During the initial phase of assessing the external reflective indicator model, three key criteria are taken into account: convergent validity, composite reliability, and discriminant validity. Once all of the aforementioned criteria have been met, the subsequent step involves assessing the internal model. This test involves the examination of R-square, Q-square, Goodness of fit (GoF), and F-square. The R-square statistic is employed to assess the statistical significance of the impact of the latent dependent variable, whereas the Q-square metric evaluates the efficacy of the model in generating observed values. The Goodness of Fit (GoF) measure is employed to assess the soundness of the structural model.

4.1. PLS Result

Before this hypothesis test was carried out, Mendel had been validated by bootstrapping, so that validity, reliability and multicollinearity problems could be ascertained as recommended Hair et al. (2022).

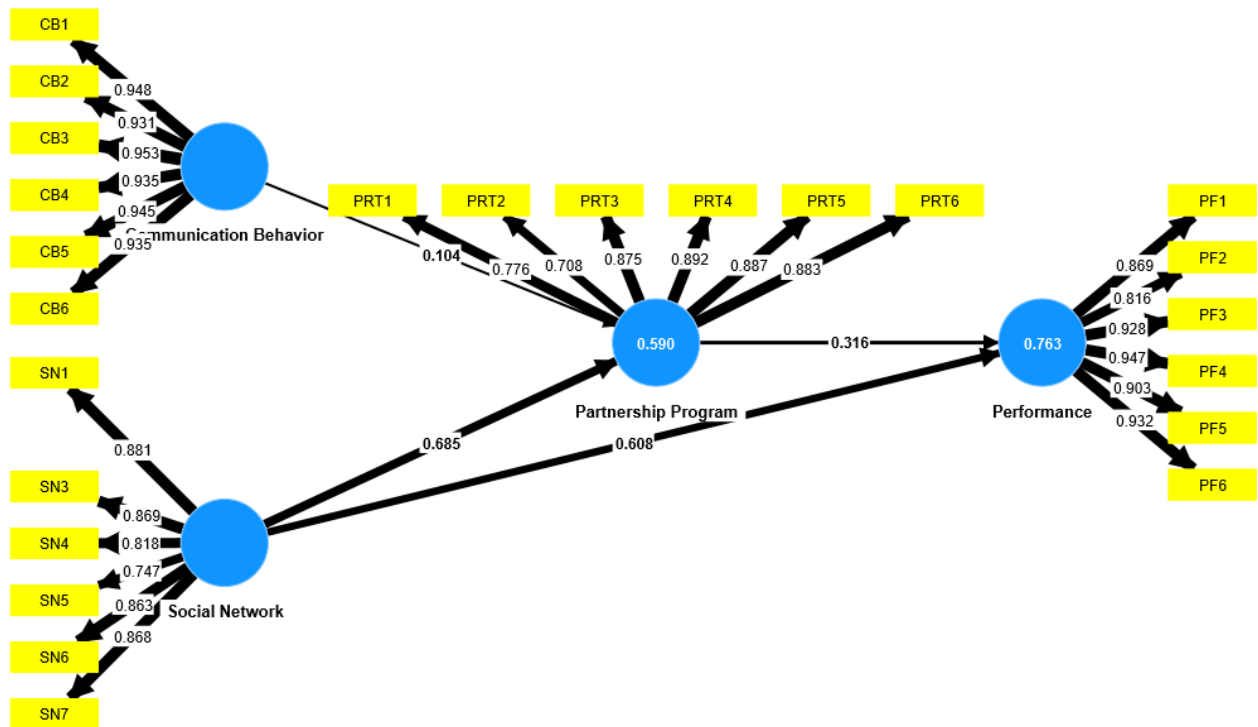


Fig. 2: Path Analysis Output

Figure 2 shows the results of path analysis, which illustrates the relationships between variables in the study. Path analysis is a statistical method used to test direct and indirect relationships between variables in a model. In this figure, there are five paths indicated by arrows connecting the variables. Each path has a path coefficient value that indicates the strength and direction of the relationship between the variables. Additionally, there are other values such as t-value, p-value, and decision for each path, which are used to assess the statistical significance of the relationships (Table 1). The results of this path analysis provide an overview of how communication behavior, partnership programs, and social networks influence business performance in the context of MSMEs.

Table 1. Hypothesis Testing of PLS Result

Path	Std Beta	Std Error	t-value	p-value	Decision
(H1) Com. Behavior -> Partnership Prog.	0.104	0.075	1.377	0.168	Rejected
(H2) Partnership Prog. -> Performance	0.316	0.052	6.024	0	Accepted
(H3) Social Network -> Partnership Prog.	0.685	0.078	8.77	0	Accepted
(H4) Social Network -> Performance	0.608	0.049	12.526	0	Accepted
(H5) Social Network -> Performance (Indirect Effect)	0.217	0.037	5.837	0	Accepted

4.2. Communication Behavior within The Context of A Partnership Program

The results of this study find that there is no statistically significant association between communication behavior and the partnership program. The development of a partnership program cannot be achieved solely by improving communication behavior. This statement presents a contradiction to the theory proposed by Mohr and Spekman (1994). This finding suggests that the applicability of the theory is

limited to certain partnerships. However, it contradicts the findings of Buckley's (2018) research, which demonstrates the influence of communication on partnerships.

The occurrence can be attributed to the inadequate implementation of the partnership program, which has primarily concentrated on the provision of capital without consistently supporting the enhancement of business capabilities among MSME entrepreneurs. Assessing the efficacy of physical therapy holds significant importance. The partnership program of Perkebunan Nusantara III. The cultivation and sustenance of prosperous partnerships necessitates the adoption of effective communication behavior. Effective collaboration and successful attainment of shared goals can be facilitated by several crucial behaviors, namely clear and transparent communication, attentive and engaged listening, adept conflict resolution, unwavering consistency and dependability, and a profound awareness and respect for cultural differences.

4.3. A Social Network Under A Partnership Program

Based on the research outcomes, PT. The partnership program of Perkebunan Nusantara III is subject to notable influence from social networks. Moreover, the results of this study suggest that establishing robust partnerships, particularly with financial institutions, could significantly support MSMEs in enhancing the current partnership program at PTPN Nusantara III. Financial institutions, including banks, are highly motivated to offer information and guidance, specifically to PTPN Nusantara III, with the aim of assuring investors that MSME participants have the capacity to meet their installment payment obligations.

The results of this study align with the research conducted by Pinho (2016), which revealed that social networks significantly impacted the performance of MSMEs. According to Yousefi (2019), it was concluded that social networks have the potential to expedite the dissemination of products offered by MSMEs.

Moreover, Hendrawan (2020) emphasizes that the acquisition of knowledge facilitates the establishment of robust and flexible relationships with both consumers and other stakeholders in the supply chain. Enhancing the company's relationships with suppliers is expected to have a substantial impact on its overall performance, specifically in terms of cost effectiveness, enhancement of product quality, reliability, and the ability to consistently meet input demands. Furthermore, service providers have the opportunity to broaden their knowledge base by seeking information from various sources regarding industry trends, emerging technologies, and the actions of competitors. Entrepreneurs who achieve success acknowledge the significance of establishing a network of professional connections during the initial stages of a new business endeavor. Business networks have the potential to facilitate the expansion and long-term viability of a company. The existence of a business network facilitates entrepreneurs in obtaining crucial information and guidance, thereby positively impacting the success of their businesses.

Moreover, the findings of this study indicate that the establishment of strong alliances, namely with financial institutions, has the potential to greatly bolster the existing partnership program at PTPN Nusantara III. Financial institutions, such as banks, have a tendency to offer information and direction to PTPN Nusantara III with the purpose of instilling confidence in investors regarding the capacity of MSME participants to meet their installment obligations. In accordance with Giawa's (2021) findings, MSME participants can enhance their competitive position vis-à-vis larger corporations by gaining access to an extensive business network. It is imperative for every MSME participant to possess knowledge regarding the diverse array of business networks that can be employed to establish their own network of business connections.

4.4. The Impact of Social Networks on the MSMEs Performance

The analysis results indicate that social networks exert a substantial influence on the operational outcomes of micro, small, and medium enterprises (MSMEs) at PTPN Nusantara III. This finding aligns with prior studies conducted by Ioanid (2018) and Nu'man (2020), which similarly highlight the significant impact of social networks on factors such as innovation potential, competitive advantage, and overall firm performance. In addition, Muafi (2020) conducted a study that further corroborates these findings, demonstrating the substantial impact of social networks on the performance of small and medium-sized enterprises (SMEs). The study posits that the utilization of social networks based on familial factors presents certain constraints in terms of marketing small and medium-sized enterprise (SME) products. Nevertheless, MSMEs that possess a substantial number of connections, including those within their social circles and familial networks, can greatly assist them in achieving their minimum sales objectives. Furthermore, it can be argued that a robust business network enhances the potential for MSMEs to mitigate the likelihood of encountering business failure. Hence, it is imperative for actors in the micro, small, and medium enterprises (MSMEs) sector to acquire the essential skill of social networking (Aulia, 2021).

According to Giawa (2021), it is imperative for MSME actors to possess a comprehensive understanding of the various categories of business networks available to them for the purpose of establishing and expanding their business network. There exist three distinct categories of networks: the marketing network, encompassing a central network alongside supplementary networks; the production or operation network, comprising collaborations with diverse entities and business relationships; and the financial/financing network, centering on cooperative efforts, relationships, and the acquisition of funding resources.

4.5. The performance of MSMEs within the context of partnerships

The findings of the analysis suggest that social networks exert a notable influence on the performance of micro, small, and medium enterprises (MSMEs) at PTPN Nusantara III. These results align with previous studies conducted by Ioanid (2018), Nu'man (2020), and Muafi (2020). The aforementioned studies indicate that social networks have a significant impact on the improvement of innovation potential, competitive advantage, and overall performance of firms. The study posits that social networks that are constructed based on familial factors exhibit certain constraints when it comes to marketing MSME products. Nevertheless, MSMEs that possess a substantial number of connections, including those within their social circles and familial ties, can greatly contribute to their ability to achieve the minimum sales objectives. Furthermore, the strength of the pre-existing business network directly correlates with the extent to which MSMEs can mitigate the risk of business failure. Hence, it is imperative for actors in the MSME sector to possess the essential skill of social networking (Aulia, 2021).

According to Giawa (2021), a comprehensive understanding of networks is crucial for MSME actors. These networks encompass marketing, production or operation, and financial/financing domains. The marketing network encompasses a central network and auxiliary networks, whereas the production or operation network entails business collaborations and associations with diverse entities. Additionally, the financial/financing network emphasizes cooperation, relationships, and the acquisition of funding resources. Based on the findings of this investigation, the social network of small and medium-sized enterprises is primarily founded on familial factors. This is subject to limitations in regards to the sale of micro, small and medium-sized business items. MSMEs that possess a substantial network of connections, including friends and family, receive significant support in achieving their minimum sales targets. The utilization of this specific SME product is commonly observed in instances where there is a prevailing belief or practice related to marriage or apostolic circumcision. In this particular case, the advent of social networks presents significant benefits for micro, small and medium-sized businesses

(MSMBs) operating within the commercial sector. In conclusion, the greater the opportunities available to MSMEs to mitigate the risk of organizational failure, the more robust the existing business network becomes. According to Aulia (2021), possessing social networking skills is a necessary competence for actors in the MSME sector.

In order for MSMEs to effectively compete with larger corporations, it is imperative that they possess an extensive business network. It is imperative that all MSME participants possess a comprehensive understanding of the various categories of business networks that are accessible to them. According to Giawa (2021), the initial category of network is the marketing network, which entails the establishment of a dependable network capable of effectively absorbing products and services at the appropriate time and price in order to achieve successful marketing outcomes. The network in question encompasses two key components: a core network comprising marketing intermediaries like wholesalers, retailers, and agents, and a supporting network comprising institutions and third parties that contribute to the achievement of marketing objectives. These supporting entities are involved in activities such as promotion, transportation, and funding. The second network pertains to the production or operation network, wherein effective collaboration with various stakeholders, including producers and suppliers, is essential to ensure a smooth and efficient production process. Efficient task division and flexible production capacity adjustment can be achieved through the establishment of a robust production network. Lastly, the financial/financing network encompasses the collaboration with financial institutions to secure capital and streamline corporate transactions. The establishment of this network is crucial in order to effectively and efficiently meet the capital requirements of the organization.

4.6. The indirect impact of social networks on the performance of MSMEs through the utilization of partnership programs

The results obtained from the analysis of the data suggest that the partnership program has a significant indirect impact on the performance of MSMEs through the utilization of social networks. According to a study conducted by Odoom (2017), prior research has shown that social networks play a significant role in influencing the performance of MSMEs through partnerships. The MSME participants involved in this partnership program will be granted access to various business networks, through which they will have the opportunity to identify shared interests and mutually beneficial business ideas. Furthermore, in accordance with the research conducted by Qalati (2021), it has been established that collaborations play a pivotal role in fostering the growth and progress of MSMEs that possess restricted business networks. The presence of multiple bids from various entities ensures that MSME business units can effectively identify appropriate partners that can enhance their financial performance. According to the findings of a recent study conducted by Tiwasing (2021), it has been demonstrated that partnerships play a crucial role in facilitating sales transactions for MSMEs. The establishment of a business network has compelled MSME participants to engage in expedited communication with various stakeholders perceived to possess the potential to assist their organization.

The researchers have reached the conclusion that the partnership of PT Perkebunan Nusantara III represents one of the initiatives aimed at establishing a network of MSMEs. The MSME program aims to cultivate a robust network of partners that assist in the marketing of products or services offered by MSMEs. PT Perkebunan Nusantara III facilitates the establishment of favorable relationships between its partners and various governmental entities, such as industry and trade agencies, the social service department responsible for the South Labuhan Batu area, and the Labusel Indonesian Ulema Council.

According to Giawa (2021), the establishment of a dependable marketing network is of utmost importance for businesses in order to effectively promote and sell their products. The marketing network comprises a core network encompassing intermediaries such as wholesalers, retailers, and agents, as well as a supporting network involving third parties that facilitate product promotion and transportation, finance marketing activities, and provide marketing assurances. The second category of

network pertains to production or operational activities, encompassing collaborations and affiliations with diverse stakeholders such as producers and suppliers. The primary objective of this network is to facilitate the seamless execution of the production process. Companies can effectively manage their production capacity by leveraging a robust production network. This allows them to strategically allocate production tasks based on the strengths and capabilities of network members. Moreover, companies can meet the demands of large orders by engaging in subcontracts or forming consortiums within the network. The third category of network pertains to the financial/financing domain, wherein the emphasis lies on fostering collaboration, establishing connections, and gaining access to financial resources offered by both traditional banking institutions and nonbank entities. The establishment of this network is crucial in meeting capital requirements and enabling corporate transactions.

This study offers a thorough examination of the gathered data, investigating the correlation between partnership programs, communication behavior, social networks, and business performance through the application of suitable statistical techniques. The results are presented in a manner that is both lucid and readily comprehensible, enabling readers to grasp the ramifications of the research inquiries and theoretical structure.

4.7. Limitations and Future Research

The study revealed that there is no significant impact of communication behavior on the effectiveness of the partnership program. The findings presented here are in opposition to the theoretical framework put forth by Mohr and Spekman (1994), which posits that effective communication plays a pivotal role in fostering successful partnerships. Nevertheless, this observation is consistent with the findings of a study conducted by Buckley (2018), which similarly reported a lack of substantial impact of communication on partnerships. One plausible rationale for this incongruity may lie in the particular context of the partnership program at PTPN III, wherein the primary emphasis has been on the provision of capital rather than the cultivation of efficient communication between partners. Further investigation is warranted to explore the precise communication strategies utilized within the program in order to gain a more comprehensive understanding of their influence on the achievement of successful partnerships.

On the other hand, the study demonstrates that social networks have a substantial impact on the success of partnership programs and the overall performance of micro, small, and medium enterprises (MSMEs). This discovery aligns with previous studies conducted by Pinho (2016), Nu'man (2020), and Muafi (2020), all of which emphasized the significant influence of social networks in augmenting the potential for innovation, competitive advantage, and organizational performance. The aforementioned studies indicate that establishing robust partnerships, particularly with financial institutions, can effectively enhance the accessibility of information and guidance for MSMEs, thereby enabling them to fulfill their financial responsibilities. This assertion is consistent with the explanation provided by Giawa (2021), which emphasizes the importance of a dependable financial or financing network in fulfilling capital needs and facilitating corporate transactions.

The paper acknowledges a number of limitations that warrant consideration. The study was primarily conducted within the specific framework of PTPN III's partnership program, and as such, the results may not have direct generalizability to other industries or geographic areas. Furthermore, it is important to consider that the sample size of 243 participants from MSMEs may impose limitations on the extent to which the findings can be generalized to a larger population. Enhancing the validity of the findings could be achieved by conducting the study with a larger and more diverse sample. Moreover, it should be noted that the cross-sectional design employed in this study does not permit the establishment of causal relationships. Therefore, it is recommended that future research endeavors employ a longitudinal approach in order to investigate the enduring impacts of partnership programs and social networks on business performance.

Future research endeavors should focus on exploring the precise mechanisms by which social networks exert influence on the success of partnerships. The exploration of the factors that enable the establishment of robust business networks and their role in fostering growth and ensuring sustainability holds significant academic merit. Furthermore, an examination of additional variables, such as organizational culture, leadership, and technology adoption, within the framework of partnership programs may yield a more holistic comprehension of the factors that impact business performance.

This study provides a comprehensive examination of the gathered data, elucidating the connections among partnership programs, communication behavior, social networks, and business performance. The findings of this study provide a significant contribution to the current literature and provide valuable insights for professionals and policymakers who are interested in improving partnership initiatives and effectively supporting micro, small, and medium enterprises (MSMEs). Nevertheless, the study acknowledges its inherent limitations and offers suggestions for future research endeavors to enhance and broaden the existing comprehension of the efficacy of partnership programs and the influence of social networks in nurturing business achievements.

4. Conclusion

The results of this study underscore numerous crucial aspects regarding the influence of communication behavior, social networks, and their impact on the partnership program and business performance of MSMEs. Our analysis indicates that communication behavior does not significantly affect the partnership program. This can be attributed to the current structure of the partnership program employed by PT Perkebunan Nusantara III, which primarily focuses on capital assistance and lacks an effective mentoring component. As a result, the program may not require a strong emphasis on communication for its success.

On the other hand, our research reveals that social networks play a crucial role in the development of a successful partnership program. When both communication behavior and social networks possess high values, they synergize to create an environment conducive to effective partnerships. Therefore, enhancing social networks and applying more stringent selection criteria for fostered MSMEs can contribute to the robustness and efficacy of the partnership program.

Furthermore, we observe a positive relationship between social networks, partnership programs, and improved business performance among MSMEs. As social networks and partnership initiatives continue to be nurtured and developed, MSMEs can experience tangible benefits in terms of enhanced business performance and growth.

For future research endeavors, we recommend exploring additional variables related to partnerships, such as entrepreneurial orientation, entrepreneurial characteristics, entrepreneurial competence (Aulia, 2021), and digital competence (Aulia, 2023). Investigating these factors can provide a more comprehensive understanding of the complexities and dynamics of successful partnerships in different contexts. By incorporating a broader array of variables, researchers can gain deeper insights into the mechanisms that drive partnership effectiveness and its impact on MSMEs' business performance.

This research provides significant contributions to the field of partnership programs and their effects on micro, small, and medium enterprises (MSMEs) within the framework of PT Perkebunan Nusantara III. By recognizing the importance of social networks and addressing communication behavior in the context of specific program objectives, policymakers and stakeholders can better design and implement partnership programs that foster MSME growth and overall business success.

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