

Leveraging Quality Management and Partnership Programs for Technopreneurial Success: Exploring their Impact on MSME Performance

Muhammad Reza Aulia¹, Zulkarnain Lubis², Ihsan Effendi³, Junaidi⁴

Teuku Umar University¹

Medan Area University^{1,2,3}

Setia Budi No.79 B, Tj. Rejo, Medan Sunggal, Medan, North Sumatera 20112^{1,2,3}

Alue Peunyareng, Gunong Kleng, Meureubo, Aceh 23681⁴

e-mail Corresponding: muhammadrezaaulia@utu.ac.id¹



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Abstract:

This research study explores the impact of leveraging quality management and partnership programs on the performance of micro, small, and medium enterprises (MSMEs) in the context of technopreneurship. The objective of this study is to analyze the relationship between knowledge, capital, partnership programs, and the performance of MSMEs assisted by PTPN III. The study involved MSME business actors who received assistance from PTPN III. The research methodology employed quantitative analysis, with data collected through surveys and analyzed using statistical techniques. **The findings** of this study indicate that capital has a significant influence on the partnership program and the performance of MSMEs. However, knowledge does not show a significant impact on the partnership program and MSME performance. Moreover, the partnership program itself has a significant positive effect on MSME performance. Additionally, the partnership program mediates the relationship between knowledge, capital, and MSME performance.

These results suggest that providing adequate capital resources and implementing effective partnership programs are crucial for enhancing the **performance of MSMEs in the technopreneurship sector**. Furthermore, the study highlights the importance of developing comprehensive strategies that integrate knowledge, capital, and partnership programs to drive the success of MSMEs. Overall, this research **contributes** to the understanding of the factors influencing technopreneurial success and provides insights for policymakers, MSME support organizations, and entrepreneurs themselves in developing strategies to optimize the performance of MSMEs in the rapidly evolving technopreneurship landscape.

Keywords: *Knowledge, Capital, Partnership Program, MSME Performance*

1. Introduction

The government's policy in terms of partnerships in recent years has begun to take a supportive approach to create cooperation between the government and employers. Many things can be done together between the government and entrepreneurs through various



programs. Such partnerships between governments and businesses are a form of cooperation between the government and the business sector, allowing them to share resources, risks, and mutual benefits to transform existing environmental practices with innovative findings [1].

The role of UMKM is very vital in the economy of a nation. It is undeniable that micro, small and medium enterprises (UMKM) have an essential role in economic development and growth in developing and developed countries [2]. In developed countries, UMKM is very important not only because the business group absorbs the most labor compared to large enterprises, as is the case in developing countries, but also in many countries, its contribution to the formation or growth of gross domestic population (GDP) is more significant than the contribution of large enterprises [3].

The enormous potential for MSME development has resulted in many emerging UMKM being managed in an authentic and unprofessional way, especially from a managerial aspect. This resulted in many UMKM being low performing and, in turn, bankrupt. The performance of UMKM is the result or evaluation of the company's work achieved by a person or group with the division of activities in the form of tasks and roles in a certain period with the standards of the company [4]. However, so far, the performance of UMKM has not achieved maximum results, especially in the fostered UMKM.

About 15 percent of UMKM is mismanaged, so their business fails. Not focusing on the type of business they are engaged in impacts the failure of UMKM. In addition, many UMKM managers have switched types of companies just because the success of other UMKM tempted them. Thus, the management of UMKM should not be done initially and without good governance, considering the strategic role of UMKM and the limited ability of UMKM to develop [5]. The partnership between UMKM actors and the program aims at business continuity, improving the quality of resources, increasing partner income, and increasing business scale to grow and enhance the business capabilities of partner groups.

This partnership pattern is one of the solutions for improving MSME performance [6]. One factor that affects the performance of MSMEs, namely through partnership programs. The partnership and community development program has 2 (two) programs. The first is a partnership program with small businesses to increase the ability of small businesses to become resilient and independent through the use of funds from the profit share of SOEs. The second is the community development program, which is a program to empower the social conditions of the community by SOEs through the use of funds from the profit share of SOEs. The amount of profit allowance for program funding is a maximum of 2% (two percent) of the net profit for partnership programs and a maximum of 2% (two percent) of the net profit for community development programs [7] [8].

So far, the partnership program carried out by P.T. Perkebunan Nusantara III provides access to capital, business assistance, supervision, and human resource development to help open market networks in business development. This program is expected to improve the performance of MSMEs in facing business competition. However, the implementation of the partnership program that P.T. has carried out. Perkebunan Nusantara III does not always run following the possibilities of the existing partnership program, making it difficult for partners to pay in installments. The business does not run smoothly, even to the point of bankruptcy and closing still occurs. One of the reasons for this problem is the lack of knowledge and capital.

2. Theory

2.1 MSME Performance

The existence can know the benchmark of partnership results of the evaluation, and performance evaluation can be interpreted as measuring or assessing the results obtained from the partnership, even though the two have different meanings even though they are interconnected [9]. Measuring is comparing something and one measure while judging means deciding between something with a good and a lousy effort [10]. The definition of evaluation includes both [11]. The evaluation process is not just measuring the extent to which goals are achieved but is used to make decisions [12].

2.2 Knowledge

The knowledge of SMEs, especially in marketing, will be constructive in advancing the business they started. Marketing embraces all business activities involved in the flow of goods and services from physical production to consumption". So marketing is a significant activity

for companies to innovate products so that the products sold follow the needs of consumers and can satisfy them [13].

At present, H.R. knowledge is a demand for any activity, technically and non-technically. Operational and managerial capabilities strongly emphasize the knowledge aspect in carrying it out. Knowledge is information about a particular area that results from a sense of curiosity through sensory processes, especially in the eyes and ears towards a specific object. Knowledge or knowledge is the result of human sensing or the development of a person's knowledge of an object through the five senses he has [14] explains in general terms that knowledge is categorized into three (3) categories 1) Information obtained and placed in our memory (declarative), 2) How information is collected and accustomed to what we already know (procedural). 3) Understand how, when, and why valuable and usable (strategic) information. H.R. Knowledge is an essential domain in the formation of open behavior.

According to [15], there are at least three types of knowledge of an SME actor, including financial knowledge. Financial statement knowledge also shows an attitude of awareness of the importance of the role of financial statements for users. This is because the most critical business performance report is the financial statement. Because with the financial statements, creditors can see the development of business performance and estimate business performance in the future. Second, marketing knowledge, this marketing knowledge can be interpreted as the skills and skills that business people must possess to increase their sales. With good marketing knowledge, the sales targets that have been set will be easy to achieve. Third, production knowledge and product knowledge are also helpful for minimizing the level of defective products. So that the efficiency of the company's operational costs will be smaller, this will be the company's advantage compared to other companies.

2.3 Capital

An inseparable need in the management of a business in terms of the availability of capital. Capital is a business factor that must be available before carrying out activities. The capital's size will affect the business's development in achieving income. Business capital is something that is used to establish or run a business. This capital can be in the form of money and labor (expertise). Capital money is usually used to finance various business needs, such as pre-investment costs, permit management, investment costs to buy assets, and working capital. At the same time, expertise capital is a person's expertise in running a business [16].

Business capital is an overview of a company's balance sheet that uses concrete Capital and abstract Capital. Concrete Capital is intended as active capital, while notional capital is designed as passive Capital. The capital owned by SMEs is sourced from their capital or day loan capital from banks and leasing.

Own capital, according to previous research, explains that this business capital consists of 1) Own Capital, Own Capital, which is capital that is derived from the business owner himself. Own capital includes savings, donations, grants, relatives, etc. 2) Foreign Capital (Loan), Foreign Capital or borrowed Capital is Capital that is usually obtained from outside the company and is generally obtained from loans. The advantage of borrowed capital is that it is unlimited in large quantities [17]. In addition, by using borrowed capital, there is usually motivation from the management to do business seriously. 3) In addition to owning capital or loans, Joint Venture Capital can also use business capital using various business holdings with other people. You do this by combining your capital with the capital of one friend or several people (who act as business partners).

2.4 Partnership

The realization of the distribution of funds in the distribution of this partnership program is expected to run on the target, the right amount of proposed funds, on-time distribution, the right coaching and coaching routines, as well as the suitable loan repayment to be able to achieve effectiveness, namely developing Small Businesses to be resilient and independent [18]. But not all of this is going with hope. In essence, partnership actors consider partnership programs free assistance companies provide to the community [19].

The role of SME companions is critical and determines the level of success and sustainability [20]. In addition to assisting in developing businesses carried out by SMEs, this companion also helps prepare SMEs so that they can get in touch with banks. Dealing with

banks is not difficult, mainly to get loans or business edition funds [21], especially if the SME meets the standard requirements set by a bank or formal financial institution.

Partnerships can be implemented by implementing activities and policies that can improve competencies in various fields. This increased competence is, in turn, expected to be utilized to improve the community's quality of life. By carrying out social responsibility through this partnership program, the company is expected to not only pursue short-term profits but also contribute to improving the welfare and quality of life of the community and the surrounding environment in the long term.

3. Research Method

This research uses an associative approach to determine the relationship between two or more variables. This research can build a theory to explain, predict, and control a symptom or event.

The type of data used is quantitative data carried out through survey methods. Research is planned to take respondents from a population and use questionnaires and direct interviews with respondents as an essential data collection tool. The people in the study are UMKM fostered by P.T. Nusantara III plantations totaling 243 UMKM business actors. The sampling technique uses saturated samples. This saturated sample can be interpreted as the technique of determining the sample when all members of the population are used as samples. This method is often used for small population sizes or wants to make generalizations with tiny errors [22], so the sample in this study was 243 MSME business actors.

Researchers used primary and secondary data sources for data collection in this study. According to [23], preliminary data is obtained directly from respondents through questionnaires or questionnaires. The questionnaire was first compiled based on indicators of each free, bound, and intervening variable. Secondary data is supporting data such as reports, books, organizational structures, and literature relating to this research problem. The secondary data in this study is in the form of an evaluation report of the partnership program and the organizational structure at P.T. Nusantara Plantation III.

The methods used in this study, namely: (1) Observance or observation, includes loading attention to an object using all sensory devices. The comments made in this study saw firsthand the conditions in the field, especially the actors of the partnership program from P.T. Nusantara Plantation III. (2) A questionnaire is several written questions used to obtain information from a respondent in the sense of a report about his person or things he knows.

A validity test is conducted before concluding to see whether the question item used can measure what you want to measure. There are various concepts about validity, and this research uses the validity plural used in various economic examinations. A question item in a questionnaire is used to measure a construct (variable) under study.

An analysis model using a structural equation model or Structural Equation Modeling (SEM) is a collection of statistical techniques that allow testing a relatively complex series of relationships simultaneously. Before the data process is carried out through AMOS, it is necessary to change the ordinal data into continuous data using the Successive Interval Method (MSI) used in the Amos program. The use of interval scales for the benefit of parametric statistics, in addition to being a norm, is also to change the data to have a normal distribution. Transformations using this model mean there is no need to perform normality tests. Since one of the conditions for the use of parametric statistics, in addition to the data must have an interval scale (and ratio), the data must have a normal distribution in contrast to nonparametric statistics used to measure distribution.

Structural Equation Modeling is a viable answer to the combination of factor analysis and multiple regression analysis because when the researcher identifies the dimensions of a concept or construct, at the same time, the researcher also wants to measure the influence or degree between the factors that have been identified as dimensions. Thus SEM is a combination of factor analysis and multiple regression analysis. To measure Validity and Reliability, an evaluation or match test of the measurement model is carried out. This evaluation is carried out on each construct or measurement model through standard loading. Reliability is seen from the value of Construct Reliability (C.R.) ≥ 0.70 and Variance Extracted (VE) greater than 0.5. The construct or measurement model is valid if the Standard Loading Factor SLF > 0.5 . Evaluation of the validity of the measurement model is said to have good

validity to its latent construct or variable if the factor load (Factor Loading) is greater than the critical value of 1.96 (≥ 1.96) and the evaluation of the validity (validity) of the measurement model can show the standard factor load (SLF).

Evaluation of the model's suitability through a review of various goodness of fit criteria through p-value, RMSEA, NFI, NNFI, CFI, IFI, RFI, Std. RMR, and GFI. Model testing using the overall model and statistical goodness of fit along with path coefficient testing: Path coefficient significance test (α and β) using t-test with $p < \text{significance of } 0.05$ and meets the Statistical Goodness of Fit criteria with all coefficients in the model significant.

Indirect influence testing aims to detect the position of mediation variables in a model. Examining the nature of the mediation variable can be done by multiplying the value of the path coefficient of influence of the independent variable by the intermediate variable and the coefficient of the effect of the intermediate variable with the dependent variable. Meanwhile, the real impact is calculated by summing the value of the direct influence coefficient with the product of the value of the indirect influence coefficient. Another way is by analyzing the Sobel Statistical Test (Soliman, 2011: 23) by comparing the statistical significance of Sobel with a p-value of less than 5%, indicating that the mediating effect applies to the tested model.

Significant or not, the influence of mediation can be tested with a Sobel test. As explained above, the Sobel test requires the assumption of a large sample count and the value of the normally distributed mediation coefficient. The Sobel test results provide an estimated indirect effect value which is then searched for the calculated t value by dividing the magnitude of the data value against the standard error value and comparing it with the tablet. If the estimated t value is greater than the table t value, the mediating influence is significant, and the t value is 1.96.

4. Result & Discussion

Table 1. Critical Ratio and P-Value Estimation Results

Items			Estimate	S.E.	C.R.	P
Partnership Program	<---	Capital	-.558	.041	-13.440	***
Partnership Program	<---	Knowledge	-.028	.022	-1.255	.209
MSME Performanc	<---	Capital	-.753	.094	-7.971	***
MSME Performance	<---	Knowledge	.049	.027	2.808	***
MSME Performance	<---	Partnership Program	-.587	.144	-4.077	***

Based on table 1, we can know that:

- There is a significant influence of capital on the partnership program. The critical value of -13.440 is greater than the standard error value and the probability value (p), which has a significant asterisk.
- There is no significant influence of knowledge on the partnership program. The critical value of -1.255 is greater than the standard error value, and the probability value (p) does not have an asterisk, meaning it is insignificant.
- There is a significant influence of capital on the performance of SMEs. The critical value of -7.971 is greater than the standard error value and the probability value (p), which has a significant asterisk.
- There is no significant influence of knowledge on the performance of SMEs. The critical value of 2,808 is greater than the standard error value and the probability value (p), which has a significant asterisk.
- There is a significant influence of partnership programs on the performance of SMEs. The critical value of -4,077 is greater than the standard error value and the probability value (p), which has a significant asterisk.



Figure 1. Partnership Program Mediation Test on Capital and MSME Performance

Based on figure 1, the Sp2P3 test is then carried out as follows:

- $Sp2P3 = \sqrt{p2^2 \cdot SeP2^2 + p3^2 \cdot SeP3^2 + p1^2 \cdot SeP1^2}$
- $Sp2p3 = \sqrt{(-0.558)^2 \cdot (0.041)^2 + (-0.587)^2 \cdot (0.144)^2 + (-0.753)^2 \cdot (0.094)^2}$
- $Sp2p3 = \sqrt{0.0005792205 + 0.0064564439 + 0.0000348572}$
- $Sp2p3 = \sqrt{0.0070705216}$
- $Sp2p3 = 0.084086394$

Based on the results of Sp2p3 can calculate the statistical t value of the influence of mediation with the following formula:

$$t = \frac{p2p3}{Sp2p3} = \frac{0.032755}{0.084086394} = 3,89535$$

It is known that the calculated t value = 3.89535 is greater than the tablet with a significant rate of 0.05, which is 1.96. It can be concluded that the mediation coefficient of 0.08 is essential, which means that there is a mediation influence, meaning that the partnership program has a positive impact in mediating capital on the performance of UMKM.

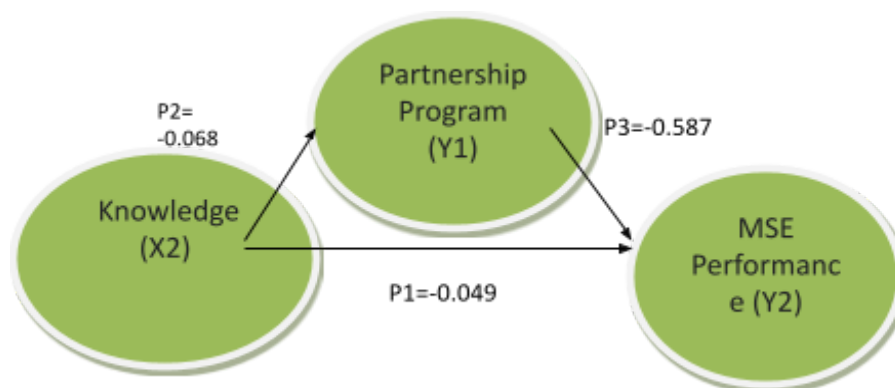


Figure 2. Partnership Program Mediation Test on Capital and MSME Performance

Based on figure 2, the following Sp2P3 test is carried out as follows:

- $Sp2P3 = \sqrt{p2^2 \cdot SeP2^2 + p3^2 \cdot SeP3^2 + p1^2 \cdot SeP1^2}$

- $Sp2p3 = \sqrt{(-0.587)^2 \cdot (0.022)^2 + (-0.068)^2 \cdot (0.144)^2 + (0.022)^2 \cdot (0.144)^2}$
- $Sp2p3 = \sqrt{0.345 \times 0.000 + 0.005 \times 0.021 + 0.000 \times 0.021}$
- $Sp2p3 = \sqrt{0.0001667714 + 0.0000958833 + 0.0000100362}$
- $Sp2p3 = \sqrt{0.0002726909}$
- $Sp2p3 = 0.016513355$

Based on the results of $Sp2p3$ can calculate the t-statistical value of the influence of mediation with the following formula:

$$t = \frac{p2p3}{Sp2p3} = \frac{0.03992}{0.016513355} = 2,4172$$

It is known that the calculated t value = 2.4172 is greater than the tablet with a significant level of 0.05, which is 1.96, so it can be concluded that the mediation coefficient of 0.01 is essential, which means that there is a mediation influence, meaning that the partnership program has a positive and significant impact in mediating knowledge on the performance of MSMEs.

• The Effect of Capital on Partnership Programs

The analysis results using structural equation modeling (SEM) show that capital directly affects the partnership program at PTPN Nusantara III. The findings in this study imply that an injection of business capital, especially SMEs that will carry out business development, is needed to support SMEs' success in improving their performance. The capital that is required to increase the success of SMEs is money capital. In addition, many SMEs under the guidance of PTPN III did not go bankrupt or go out of business because of the ease of obtaining funds for business capital. So his company is continuing even though it has not been able to increase significantly.

The results of the research analysis of the influence of entrepreneurial characteristics, capital, motivation, experience, and business ability on business success in Cashew-Producing SMEs in Wonogiri Regency stated that money has a significant effect on the success of SMEs. Furthermore, the research with the research title Intellectual capital and SMEs' performance: A structured literature review states that capital knowledge can influence the success of SMEs in carrying out business development. The results of this study are in line with the results of the survey with the title of research on the influence of business capital, product quality, and entrepreneurial networks on the business continuity of MSMEs Madu Sari Lanceng stated that capital has a significant effect on the survival of SMEs. The findings in this study imply that an injection of business capital, especially SMEs that will carry out business development, is needed to support SMEs' success in improving their performance. The capital that is required to increase the success of SMEs is money capital. In addition, many SMEs under the guidance of PTPN III did not go bankrupt or go out of business because of the ease of obtaining funds for business capital. So his company is continuing even though it has not been able to increase significantly.

• The Effect of Knowledge on Partnership Programs

The analysis using structural equation modeling (SEM) with AMOS 22 software showed that the significance value of knowledge was not significant to the partnership program at PTPN Nusantara III. The findings in this study show that SMEs engaged in trading businesses do not require production knowledge. However, the most needed knowledge is how to manage SME finances professionally. In addition, the knowledge needed is how to increase daily sales.

The results of this study are not in line with the results of previous research, which states that knowledge has a significant effect on partnership programs. Then the study results make it clear that knowledge that can increase business success does not come from formal education knowledge. It will still be the source of knowledge obtained through training and business assistance.

Then the study results show that knowledge remains a fundamental factor for innovation because knowledge resources determine the capacity to innovate. It provides empirical evidence that innovation can be born through a potent mediator in the relationship between knowledge and business performance. Furthermore I the practical application of this

research carried out is that SMEs need to stimulate learning in the development of processes and market products to increase business success of SMEs.

The findings in this study show that SMEs engaged in trading businesses do not need product knowledge. However, the most needed knowledge is how to manage SME finances professionally. In addition, the knowledge required is how to increase daily sales. The study's results also found that so far, the knowledge gained by SMEs comes from generations. Many SME players assisted by PTPN III have low education. So they don't understand how to do business development. Then, knowledge is a demand for any activity, technically and non-technically. Currently, operational and managerial capabilities strongly emphasize knowledge in carrying it out. Knowledge is information about a particular area that results from a sense of curiosity through sensory processes, especially in the eyes and ears towards a specific object. Knowledge or knowledge results from humans sensing or knowing a person about an object through their five senses.

- **The Effect of Capital on MSME Performance**

The results of the data analysis show that capital has a significant effect on the performance of SMEs at PTPN Nusantara III. The results of this study align with the results of previous research, which stated that business capital has a significant influence on the performance of SMEs. Furthermore, the capital needed is more like money capital with which SMEs can move quickly to make an essential decision in developing their business. Then made it clear that the ease of getting access to capital into a business from SMEs can be pushed up and compete with other business units.

According to, the need for business capital that cannot be separated in managing a business is in terms of capital availability. Capital is a business factor that must be available before carrying out activities. The capital's size will affect the business's development in achieving income. Business capital is something that is used to establish or run a business. This capital can be in the form of money and labor (expertise). Meanwhile, shows that capital money is commonly used to finance various business needs, such as pre-investment costs, permit management, investment costs to buy assets, and working capital. At the same time, expertise capital is a person's expertise in running a business.

The findings in this study prove that the partners of the fostered partners at PTPN Nusantara III are greatly helped by the ease of capital loans they receive. Easy conditions and the absence of collateral confiscation if SMEs are late paying installments are advantages of the existing program. Then in the current capital loan system, the interest rate set is much lower than the banking interest rate. This is a strong reason why SMEs do not lose, and the business they are doing can survive now. According to previous research, business capital, like loans, is usually obtained from outside the company and is generally accepted from loans. The advantage of borrowed capital is that it is an unlimited amount, meaning that it is available in large quantities. In addition, by using borrowed money, there is usually motivation from the management to do business seriously.

- **The Effect of Knowledge on MSME Performance**

The results of the analysis show that knowledge does not have a significant effect on the performance of SMEs at PTPN Nusantara III. The results of this study are in line with the results of previous research conducted with the research title The effects of knowledge management and risk-taking on SME financial performance in creative industries in an emerging market: the mediating result of innovation outcomes states that knowledge has a significant impact on business performance. In addition, the research title Knowledge quality, innovation and firm performance: a study of knowledge transfer in SMEs states that knowledge can make an SME player innovate products according to market demand. Meanwhile, with the research title Impact of Knowledge Management Performance on the Efficiency of R&D Active Firms: Evidence from Turkey, states that knowledge of being a business actor can avoid risks in business failure.

The findings in this study show that knowledge does not play a role in increasing the success of SMEs in carrying out business development. The foster partners at PTPN Nusantara III have had many elementary and junior high school education so far. So the existing knowledge is only knowledge in the trading business sector. Then their knowledge of financial governance, such as petty cash, is also not professional between the needs of the

family and the needs of the business. Generally, SMEs are unable to distinguish between personal needs and business needs. So it seems that the company carried out by these SMEs is running in place or not experiencing the progress they expected.

According to, marketing activities of both large, medium, and small business units require marketing knowledge. Building marketing channels for suppliers and customers is the key to the sustainability of an enterprise. Many business actors become their customers as mutually beneficial business partners. Likewise, suppliers also have an essential advantage in that the raw materials they supply significantly contribute to the progress of the business collectively.

- **The Effect of Partnership Programs on MSME Performance**

The analysis results show that the partnership program significantly affects the performance of MSMEs at PTPN Nusantara III. The results of this study are in line with the results of previous research conducted with the research title *The Role Of Csr And SCM Patterned Partnership In Promoting The Role Of SMEs As Beneficiaries Of Csr To Local Economy* states that the partnership program plays a significant role in helping MSME actors to advance and develop. Partnerships can improve the financial performance of MSMEs to be safer from competitive pressures. Furthermore, the research with the research title *Supply chain partnership, supply chain collaboration, and supply chain integration as the antecedents of supply chain performance* stated that associations significantly affect the performance of MSMEs. Then the study results with the research title *Collaboration with whom? SMEs at a Crossroads between R&D partnership exploration and exploitation* states that mutually beneficial abortion can increase the competitiveness of MSME actors. The partnership program is considered the most effective in increasing the class of MSMEs into business units capable of competing with other business units.

The implications of the findings in the research of the partnership program at PTPN Nusantara III through corporate social responsibility activities are beneficial for MSME actors in improving the performance of MSMEs. Based on descriptive analysis, it shows that the partnership program is in the form of ease of obtaining additional capital and loan terms that have made fostered partners, namely MSME actors, able to maintain a business from business failure. PTPN Nusantara III has not yet seized assets or collateral from MSME actors who are considered late in paying their installments.

A partnership can also be interpreted as a form of strengthening between two or more parties that form a cooperation bond based on agreement and mutual need to increase revenue, business continuity, production quantity, and production quality, improve the quality of partner groups, and improve the business capabilities of independent partner groups. The partnership system is generally carried out in several ways, for example, by cooperation contract agreements between partner companies and partners. Furthermore, formulated three essential partnership principles: equality (equity). His approach is not based on power alone but on a relationship of mutual respect, mutual benefit, and mutual trust. To avoid antagonism, it is necessary to build a sense of confidence. Equality includes rewards, obligations, and ties—both transparency. Transparency is essential to avoid mutual suspicion between partners. Provides clarity in information management and transparency in financial management. Thirdly, a mutually beneficial partnership must bring benefits to all parties involved.

The partnership program is one of the programs held by every BUMN (Jurana, 2016). This program is a revolving fund distribution program that is additional assistance for business capital for MSMEs with conditions, procedures and returns times that have been set and agreed upon by both parties. The Partnership Program implemented by BUMN for Small and Medium Enterprises is a form of responsibility for State-Owned Enterprises (BUMN) to the community.

A partnership can also be interpreted as a form of strengthening between two or more parties that form a cooperation bond based on agreement and mutual need to increase revenue, business continuity, production quantity, and production quality, improve the quality of partner groups, and improve the business capabilities of independent partner groups. According to previous research, the indicators that can be used in measuring partnerships are four: access to capital, coaching, management linkages, and mutually profitable business. Research states that this partnership indicator consists of three indicators: trust, cooperation, and dependence.

- **The Effect of Capital on MSME Performance through Partnership Programs**

Based on the results of data analysis that has been carried out, it shows that the partnership program has a significant role in capital towards the performance of UMKM. The results of this study support the results of the survey with the research title The impact of intellectual Capital on SMEs' performance in China: Empirical evidence from non-high-tech vs. high-tech SMEs, which states that the partnership program plays a role in mediating capital against the implementation of SMEs. Furthermore, the research with the research titled Dimensional

Impact of Social Capital on Financial Performance of SMEs states that in supporting SMEs' performance, not only is money capital needed, but social capital also plays a significant role in the success of SMEs. The following research, titled Capital Market Performance and Bangladesh's Economy: An Empirical Study, confirms that the influence of capital obtained by SMEs can improve a country's national economy. The turnover of money entering the government can reduce the unemployment rate in a country.

The implications of the findings in this study prove that through the partnership program, SMEs can get business capital assistance with guarantees that are not as burdensome as in the banking sector. Then if this SME actor is unable to pay the installments from the capital he borrowed, in this case, PTPN Nusantara III has never confiscated the guarantee provided.

Furthermore, states that capital strengthening is not only in the element of capital in the form of finance, but social capital also has a significant impact in supporting the success of SMEs. Meanwhile another research also emphasized that social capital must be considered by SMEs, especially in the trust and social values that exist around the community environment of SMEs.

- **The Effect of Knowledge on MSME Performance through Partnership Programs**

Based on the results of data analysis, it shows that indirectly the partnership program has a significant role in mediating knowledge of the performance of UMKM. The results of this study are in line with the results of a survey with the research title Knowledge Management and Performance Measurement Systems for SMEs' Economic Sustainability, which states that the knowledge of SMEs has a significant influence on the business sustainability of SMEs. Business management knowledge is more vital when SMEs get mentoring programs from both the government and the private sector. Furthermore, the research conducted with the research title Impact of Knowledge Management Practice on Women Entrepreneurs and Organizational Performance confirms that management knowledge greatly influences SMEs' performance to be more advanced. This knowledge is inseparable from the element of the mutually beneficial partnership. Business assistance through strengthening knowledge in business management significantly impacts minimizing the risk of business failure. Then with the research title Does age matter? The impact of SMEs age on the relationship between knowledge sourcing strategy and internationalization gives an idea that knowledge management can provide birth to alternative marketing strategies strengthened by mutually beneficial partnership collaborations.

The findings in this study show that the knowledge of SMEs who know about assessing the progress or retreat of the business they are carrying out plays a significant role in minimizing the risk of business failure. SMEs engaged in the food and beverage sector cannot develop production knowledge in innovating processed products. Meanwhile, SMEs in the trade sector are not so important, especially in marketing knowledge. In general, SMEs learn from generations of trading business capital from their families.

5. Conclusion

This research investigates the impact of Quality Management and Partnership Programs on technopreneurial success and MSME performance. The findings indicate that capital has a significant effect on partnership programs, whereas knowledge does not have a significant influence. Additionally, capital significantly affects the performance of MSMEs, while knowledge does not have a significant impact. Furthermore, the Partnership Program plays a significant role in enhancing MSME performance and acts as a mediator between capital and MSME performance, as well as between knowledge and MSME performance.

Therefore, to achieve technopreneurial success and enhance MSME performance, it is crucial to prioritize capital management and implement effective partnership programs.

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