



Analysis Of The Cooperation Of PT Pindad BUMN Bussiness Group In Increasing UMKM Productivity

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ABSTRACT

The purpose of this study is to determine the implementation of the operational cooperation program between PT Pindad Enjiniring Indonesia and PT Mikron Presisi Indonesia can increase the productivity of PT Mikron Presisi Indonesia. Knowing the supporting and inhibiting factors of the operational cooperation program between PT Mikron Presisi Indonesia and PT Pindad Enjiniring Indonesia. Then find out the impact of Operational Cooperation between PT Mikron Presisi Indonesia and PT Pindad Enjiniring Indonesia. This research uses qualitative methods with a descriptive approach. The process of data analysis in qualitative research is more focused during the process in the field along with data collection which includes data reduction, data presentation, and conclusion drawing / verification. The results showed that the operational cooperation carried out between PT.PEI and MSMEs, namely PT.MPI, has provided benefits and impacts for both parties, especially for PT.MPI. In this case, in addition, there are also supporting and inhibiting factors of operational cooperation between PT.PEI and PT.MPI. This research can provide new insights and knowledge for MSMEs and SOEs that will carry out operational cooperation. This study will look at the important things that need to be considered in conducting operational cooperation, supporting and inhibiting factors, and the benefits that can be obtained from operational cooperation. MSMEs and SOEs can use the results of this study to develop clearer schemes and rules regarding the operational cooperation mechanism that will be carried out, so that it can have a positive impact on both parties. Although the research provides an overview of the impacts resulting from operational cooperation between MSMEs and SOEs, the research has not highlighted and measured the level of effectiveness of the cooperation. Thus, research is needed in a longer period of time to see how the effectiveness of operational cooperation is carried out.

INTRODUCTION

Creating a prosperous Indonesian society is one of the main goals of national development. There are three elements that contribute to welfare development and economic empowerment: the government, the private sector, and the community. The government's role is to maintain economic stability, increase prosperity, and promote economic growth. The private sector assists the government in developing opinions and enhancing people's capacity through internal programs. Communities monitor development progress, demand economic prosperity from the government and private sector, and seek to create business opportunities. Socio-economic disparities can arise from low living standards.

In Indonesia, MSMEs play a significant role in national economic development, as the number of business units involves all sectors of the economy and contributes greatly to employment and income opportunities. The success of MSMEs was tested during the economic crisis in 1998 and 2008, when the large business sector suffered losses, but MSMEs, which at that time received less attention, were able to survive and grow. The advantages of MSMEs lie in their flexibility and ability to adapt to market dynamics. In addition, MSMEs are highly diversified and make an important contribution to export and trade activities (Auliandri et.al, 2022; Suci, 2017; Zahrah & Wijaya, 2019).

The main role of micro, small, and medium enterprises (MSMEs) is as the main driver of employment, as well as a driver of economic activity and a provider of services to the community. They also play a crucial role in addressing Indonesia's unemployment problem, which is currently increasing rapidly. This shows the resilient characteristics of MSMEs in the midst of an economic crisis as they have low dependence on monetary sector funding. The existence of MSMEs spread across the country makes them an effective distribution channel to cover most of Indonesia's population (Budiarto et.al, 2018; Putri, 2021; Sri Handini & Sukaai, 2019; Zia, 2020).

In this regard, currently PT. Pindad Enjiniring Indonesia (PEI) has pioneered a business partnership program in the form of Operational Cooperation with one of its MSME partners, namely PT. Mikro Presisi Indonesia (MPI), the efforts made by PT. PEI are in line with the objectives of the establishment of BUMN where one of the objectives is to actively provide guidance and assistance to entrepreneurs of weak economic groups, cooperatives, and the community. PT Pindad Enjiniring Indonesia (PEI) is one of the BUMN Groups engaged in manufacturing, one of whose businesses is producing weapons components to be supplied and assembled into various types of weapons products at PT Pindad. While PT Mikron Presisi Indonesia (MPI) is one of the MSMEs engaged in manufacturing and located in the city of Bandung which is made a business partner by PT PEI.

Prior to the implementation of the Operational Cooperation, PT MPI was a partner of PT PEI, as for the expertise possessed by PT MPI is the ability to produce products with metal base materials. However, in carrying out the work, PT MPI experienced the most important obstacle was access to raw materials and also access to funding facilities from third parties, so that it affected the quality of production and commitment to product delivery schedules to consumers.

As stated earlier, where there are still many problems that often occur in MSMEs. In general, according to preliminary studies that have been carried out, these problems also occur at PT Mikro Presisi Indonesia (MPI) in increasing the productivity of the Company, as for the problems faced by PT MPI, including difficulties in increasing company productivity, management that is still family or traditional, there are limitations related to capital and funding, and have limitations related to access to suppliers for the fulfillment of raw materials.

In this regard, the form of partnership carried out by PT PEI as a BUMN group (large business) with PT MPI (MSME partners) is Operational Cooperation, which is in line with Law No. 11 of 2020, this law regulates work creation efforts which are expected to absorb the widest possible Indonesian workforce in the midst of increasingly competitive competition and the

demands of economic globalization. This is also in line with PP No. 7 of 2021 concerning the Ease, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises which explains that in the partnership process carried out with MSMEs, it must pay attention to the principles of healthy business ethics, namely mutual need, mutual trust, mutual strengthening, and mutual benefit.

In line with this, the concept of partnership or coaching in this study focuses on how the Operational Cooperation carried out by PT PEI as a BUMN business group with PT MPI as an MSME business actor, can sustainably increase productivity for PT MPI. The coaching carried out by PT PEI for PT MPI includes focusing on improving business management capabilities through administrative training and supervision, forming business cooperation platforms, training in mastery of technology, and coaching to expand the partnership network both for funding needs and increasing the amount of production.

LITERATURE REVIEW

The growth of the global market has changed the national business paradigm, where micro, small and medium enterprises (MSMEs) play an important role in Indonesia's economic prosperity, creating jobs, improving people's welfare and driving innovation. Indonesia has 57 million MSMEs, most of which are micro enterprises. This demonstrates the potential of SMEs as drivers of the Indonesian economy, contributing to the country's prosperity. SOEs, as agents of development, have implemented a number of initiatives to improve the quality of SMEs.

Therefore, empowering SMEs requires great attention from both the government and society in order to grow and compete more effectively. Limited Human Resources (HR) in small businesses, both in terms of formal education and knowledge and skills, have a significant effect on business management, hindering their ability to develop optimally (Anam, 2019; Ernawati, 2021). In addition, limited human resources also make it difficult for business units to adopt new technological developments, which in turn can increase the productivity of the products produced. In contrast, large businesses have built solid networks, supported by technology that can reach international markets, and have effective promotion strategies (Hendrawan et.al, 2019; Salam & Prathma, 2022; Tahalele, Tanzil & Toreh, 2021).

In light of the above, these barriers indicate that the government has not provided adequate guidance to improve product marketing or equipped businesses with the tools to analyze opportunities. Collaboration is needed to support the sustainable productivity of businesses, especially MSMEs. In order to ensure equal opportunities for businesses in the management of the national economy, the government has implemented a partnership program that includes coaching and the provision of affordable credit for working capital for MSMEs. The objective is to encourage the growth of healthy, market-oriented MSMEs that are not engineered by the government or other parties. Therefore, the success of MSMEs is determined by quality and benefit factors.

This is in line with the research findings of Firstyananda, Rahma, & Hardjati (2021) on the partnership program of PT Jasa Marga Surabaya with MSMEs, which is considered quite successful in helping to increase MSME knowledge in business development. In addition, research conducted by Permatasari & Prabawani (2022) suggests that the partnership program carried out by PT Telkom Semarang can provide direct benefits to its fostered MSMEs, such as capital loan assistance, promotional assistance, and improved marketing capabilities.

METHODS

The research paradigm used by the author is a qualitative approach. The qualitative descriptive format in this research was carried out using the case study method. A case study is an in-depth study of only one group of people or events. (Bungin, 2017; Cresswell, 2018). The research data were analyzed descriptively and the analysis steps were used to explain and

describe how the implementation of operational cooperation between PT Pindad Enjiniring Indonesia and PT Mikron Presisi Indonesia can make a positive contribution to MSMEs, especially increasing productivity.

This research uses data reduction, data display, and conclusion/verification techniques. The data reduction technique involves processing raw reports to produce data that is easier to understand for research purposes. The processed data can then be displayed in tables, graphs, and other formats to provide a more detailed understanding of the research. Finally, the data is used to draw conclusions and verify the findings. The processed data can then be displayed in the form of tables, graphs, and other formats to provide a more detailed understanding of the research.

RESULTS

Implementation of Operational Cooperation between PT PEI and PT MPI

In addition, from the results of the research it was also found that PT PEI actively conducts product marketing, and in the marketing process PT PEI also involves representatives from MPI, so that in addition to getting order certainty, but the MPI team gets direct training / experience to carry out effective marketing activities. Thus it can be said that the partnership process carried out by PT PEI with PT MPI has provided benefits for both parties, especially more felt by PT MPI from the aspect of marketing development.

Supporting And Inhibiting Factors Of Operational Cooperation Between PT PEI and PT MPI

To overcome the challenges arising from the partnership program between PT PEI and PT MPI, it is imperative for both parties to conduct a joint evaluation and seek mutually beneficial solutions. This will ensure the sustainability of the partnership development and provide positive impacts for both parties. Several solutions have been proposed to overcome the constraints and problems faced in the partnership between PT PEI and PT MPI. To overcome the problems of PT PEI's partnership with PT MPI, a Partnership with Operational Cooperation Pattern is applied. This form of partnership allows PT PEI to monitor the production process on a regular basis, resulting in a decrease in reject rates and increased accuracy in delivery of goods. To address the issue, systematic coaching and guidance can be provided with a simpler approach to ensure that PT MPI can better understand the training provided by PT PEI.

This shows that PT PEI has developed some solutions to address the issues on the ground and ensure that PT MPI, as a partner, can continue to benefit from the partnership. PT MPI explained that they are working on solutions. In the KSO of PT PEI and PT MPI, there is a KSO council that is responsible for regular oversight of the KSO operations. In addition, a deputy manager provides strict and measurable supervision. PT PEI conducts regular supervision, and each position in the organizational structure is accompanied and mentored by a representative from PT PEI. Based on this, it can be seen that PT MPI receives optimal support from PT PEI to be able to overcome the problems that arise. In addition, from the information provided by PT MPI, there is information that PT PEI is actively engaged, one of which is by conducting intensive supervision and assistance in helping the partnership program to achieve success.

Impact Of Operational Cooperation Between PT PEI And PT MPI

Several programs have been implemented in the partnership between PT PEI and PT MPI to achieve success. After partnering with PT PEI, PT MPI has seen a significant impact. From the results of research conducted by researchers, it can be seen that the impact felt especially by PT MPI in the partnership program carried out with PT MPI, some of which are. help marketing. help supply raw materials, help develop human resources, help technological innovation, help work facilities, help funding, help increase productivity.

DISCUSSION

Partnerships are formed based on the principle of mutual need, which allows two or more parties to work together to achieve mutual benefits. This is in line with Drucker's perspective (2017). Partnerships involve close relationships between related parties based on competence and trust, aiming to provide profitable products and services (Rachinger et al., 2018). Partners are defined as friends, colleagues, or coworkers, and a partnership is a cooperative relationship between them, according to the Big Indonesian Dictionary. Furthermore, partnership can be defined as a business strategy involving two or more parties over a period of time, based on the principles of mutual need and mutual improvement, aiming to achieve mutual benefits. The theory of cooperative patterns is used to build an economic system based on cooperation and mutual assistance. It involves combining less experienced partners with stronger partners to improve welfare and productivity (Farianto, 2021; Velu, 2015).

This approach is in line with the partnership principle adopted by PT PEI towards PT MPI, which prioritizes mutual needs. It is important to use clear and concise language when defining technical terms, and avoid using ambiguous or ornamental language. The term can also be interpreted as alliance or collaboration. Berends et al. (2016) suggest that partnership can be defined as a collaborative relationship between two or more parties working together to enhance their capabilities or capacities in a particular area or goal to achieve better results. Partnership refers to mutually beneficial cooperation or collaboration, both individually and in groups. Partnerships are formal arrangements between individuals or groups for specific purposes (Jeong & Oh, 2017; Sodikin et al., 2017).

In the context of the partnership relationship between PT PEI and PT MPI, it can be seen that PT PEI has succeeded in providing benefits and a sense of responsibility to the surrounding environment, as well as providing benefits for PT PEI itself as a party partnering with MSMEs. In addition, PT PEI has also been quite good at building PT PEI's reputation and good name in the hearts of the community. CSR and partnership programs are now seen as investments aimed at the growth and sustainability of the company, no longer as a cost burden, but as an effort to generate profits (Benlemlih & Bitar, 2018; Branco & Rodrigues, 2006). In addition, CSR and partnerships help companies improve their relationships with communities as stakeholders and governments as regulators. With partnership and CSR programs, companies can help solve religious, social, economic, and cultural problems. Meanwhile, Branco and Rodrigues (2006) distinguish two advantages of CSR and partnerships related to the company's competitive advantage, both from an internal and external perspective.

Another thing that PT PEI also does for PT MPI as a partner is to help develop the marketing process carried out by PT MPI. This is in line with what was said by a resource person from PT PEI who explained that in PEI's partnership with MPI with the Operational Cooperation pattern, PEI provides assistance to MPI to carry out marketing activities to PEI Partners / bouwheer. This condition is also justified by PT MPI which suggests that the marketing strategy carried out by PEI is penetration to PT PEI's partners, to market products that can be produced by the production lines owned by PT MPI and PT PEI in the KSO, especially marketing penetration to PT PEI and also to partners of BUMN / subsidiaries of BUMN and other private companies.

It cannot be denied that the partnership program between PT PEI and PT MPI faces challenges and obstacles in its implementation. According to PEI's research results, the quality of production produced by MSME partners is still uneven, even though assistance has been provided. This is especially true for partners with subcontracting patterns. One obstacle that often occurs is the partners' lack of understanding of the coaching program, which can increase the time needed for training or even require retraining. Subjectivity has been removed, and the language used has been made more formal and objective (Freeman & Velanuri, 2021; Galant & Cadez, 2017). Both companies experienced obstacles in the partnership program between PT PEI and PT MPI. One of the problems faced is ensuring production schedules and the availability of raw materials that can help reduce production costs. MPI faced production limitations due to

outdated machinery, which was later replaced with newer technology through a KSO partnership with PT PEI.

While partnership programs can provide challenges, it is undeniable that they also offer valuable opportunities. The goal of the partnership is to achieve a win-win solution. It is important to note that not all parties involved in a partnership have equal power, despite the benefits and awareness. Each role requires a balanced position. Cultural cooperation aims to ensure that business partners can understand new principles such as creativity, foresight, work ethic, management skills and careful planning. To achieve the best results, partnerships should be built with the aim of benefiting all parties involved, without harming any one party. A balanced commitment from all parties is required to ensure a successful and profitable collaboration (Farianto, 2021; Ghassani & Wardiyanto, 2015; Rachinger et al., 2018).

PT MPI has benefited from the partnership program in various ways. Productivity is an important impact of the program, supported by sources that indicate an increase in turnover. In addition, the program has also enabled PT MPI to improve its management and operations. The partnership program can help improve productivity at PT MPI by reducing operational costs, especially those related to building rent and ensuring the availability of raw materials for the production process. PT MPI hopes that this partnership program can be continued and developed with a KSO model between PEI and MPI by reducing the idle time of production machines, so as to increase productivity and have a positive impact on sales.

Other speakers from PT MPI have also benefited from the partnership program with PT PEI. It is hoped that the partnership program between PEI and MPI with this KSO pattern can continue. The goal is for MPI to achieve independence, which allows for better management of corporate governance. PT MPI feels a positive impact from the managerial and administrative side of the company, especially in learning how corporate governance is run by BUMN and BUMN subsidiaries. This can help to manage the company more effectively. The company also benefits from increased turnover, production cost savings, and availability of raw materials and funds.

Based on this, it can be seen that the partnership program carried out by PT PEI with PT MPI can provide benefits from increasing the productivity of PT MPI. The impact of the partnership program with PT PEI based on the points above is the development of human resources, managerial, production facilities, education, and a better work climate from PT MPI.

From this information, it can be seen that PT PEI has had a significant impact on the business pattern carried out by PT MPI. This also shows the seriousness taken by PT PEI in conducting coaching programs for MSMEs. Efforts to develop business model innovations made by PT PEI towards PT MPI have provided other evidence that the partnership program carried out by PT PEI has been implemented quite optimally. The impact of technological innovation in PT MPI's business activities can provide greater benefits for the partnership achievements that have been mutually agreed upon.

CONCLUSION AND SUGGESTION

Operational Cooperation between PT PEI and PT MPI can increase the productivity of production carried out by the two companies. In this case PT MPI experienced an increase in productivity due to the assistance and guidance provided by PT PEI. The types of assistance received by PT MPI so that it can increase productivity are additional capital, raw materials, the latest machines, a better place, and marketing assistance by PT PEI. Meanwhile, the increase in productivity was also experienced by PT. PEI, this is because the production capacity has increased with the cooperation carried out with PT. MPI. The operational cooperation between PT PEI and PT MPI has basically been running quite well. In this case, PT MPI receives optimal support from PT PEI to overcome problems that arise in the production process in the field.

In addition, based on the information provided by PT MPI in the operational cooperation carried out by PT PEI, PT MPI is actively engaged, one of which is by conducting intensive supervision and assistance in helping the partnership program carried out to achieve the success of the Operational Cooperation between PT PEI and PT MPI has been carried out quite optimally. In this case, there is an impact received especially by PT MPI after conducting operational cooperation with PT MPI. The impact felt by PT MPI is that from the aspect of management and management of the company to be more neat and well organized. This condition occurs as a result of supervision and guidance provided by PT. PEI. In addition, the operational cooperation also had an impact on increasing the productivity of PT MPI because it received capital assistance, raw materials, buildings, and good marketing from PT PEI.

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