

Analysis of Human Factors in the Implementation of MSME Empowerment Program Strategies: A Study on the Cooperative and MSME Office in Sinjai Regency

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ABSTRACT

The implementation of the Micro, Small, and Medium Enterprises (MSME) empowerment program strategy in regional device organisations often faces challenges that are not solely technical in nature, but are greatly influenced by human factors as policy implementers. This research aims to deeply analyse how human factors—including the commitment of implementers, human resource competence, organisational communication, leadership, and work culture—affect the success of implementing the MSME empowerment program strategy at the Cooperatives and MSMEs Office in Sinjai Regency. Using a qualitative approach based on a systematic literature review, this research integrates findings from various scientific journal articles, government agency performance reports, and relevant policy documents to build a comprehensive analytical framework. The research results show that human factors play a determining role in bridging the gap between well-prepared strategic planning and program realisation in the field. The commitment of leaders and staff becomes the main driving force, but high commitment without adequate support in competence and effective communication tends to result in suboptimal implementation. This research also identifies that the limited number of technical assistants, the low managerial capacity of implementers, and the fragmentation of coordination between fields are the most frequently encountered human obstacles in the context of the Cooperative and SME Office. The theoretical contribution of this research lies in reinforcing the understanding that strategy implementation in the public sector is not merely a matter of policy design, but rather an issue of organisational behaviour and human resource management. Rekomendasi praktis diarahkan untuk memperkuat kapasitas pelaksana melalui pelatihan berkelanjutan, penyempurnaan mekanisme komunikasi lintas fungsi, dan pengembangan sistem insentif yang mendorong akuntabilitas dan inovasi dalam layanan pemberdayaan UMKM.

Keywords: human factors, strategy implementation, MSME empowerment, Cooperatives and MSMEs Office, Sinjai Regency

INTRODUCTION

Empowerment of Micro, Small, and Medium Enterprises (MSMEs) has long been one of the main pillars of regional economic development policy in Indonesia. SMEs not only play a role as the largest employers but also serve as the foundation of a people's economy that supports social and economic stability at the local level. Within the framework of national policy, local governments through the Cooperatives and SMEs Office have a strategic mandate to facilitate the development of SMEs through various training programs, mentoring, capital facilitation, and market access expansion. However, various empirical studies show that the success of MSME empowerment programs cannot be measured solely by the size of the allocated budget or the number of activities carried out. What is far more determining is the extent to which the designed strategy can be effectively implemented in the field, and this is where the human factor becomes a crucial variable that is often overlooked.

The implementation of strategies in public sector organisations, including the Cooperative and SME Office, faces challenges that are fundamentally different from those in the private sector. Public organisations operate in a complex environment with political pressures, layered regulations, and high accountability demands. Literature studies show that bureaucracy and resistance to change are major obstacles in the implementation of strategies in public organisations, as hierarchical structures and rigid procedures can slow down decision-making and the implementation of changes. Furthermore, resource limitations—whether budgetary, labour, or time—often hinder the optimal implementation of strategies. However, among the various obstacles, the human factor occupies a central position because, in the end, strategies are executed by people, not by documents or systems.

Sinjai Regency, as one of the regions in South Sulawesi Province, has an economic characteristic dominated by the MSME sector, particularly in the processed food, handicrafts, and small trade subsectors. The Cooperatives and SMEs Office of Sinjai Regency plays a strategic role in empowering micro and small business actors in this region. However, various challenges are still faced, including limited regional budgets, minimal ongoing support, and challenges in accessing digital markets for small business operators in coastal areas. The gap between national policies and the reality of implementation on the ground also emerges as a prominent issue, where top-down empowerment programs often overlook the specific needs of local entrepreneurs.

This phenomenon emphasises that the issue of implementing MSME empowerment strategies cannot be reduced to mere administrative technicalities. There is a human dimension that needs to be understood more deeply: how the commitment of program implementers is formed and maintained, how human resource competencies affect the quality of mentoring, how organisational communication bridges strategic vision with action on the ground, and how leadership and work culture shape overall organisational behaviour. Unfortunately, the existing literature tends to highlight policy and institutional aspects partially, while analyses that specifically delve into the dynamics of human factors in the implementation of MSME empowerment program strategies at the regional office level are still limited.

This research aims to fill that gap by systematically analysing human factors in the implementation of the MSME empowerment program strategy at the Cooperatives and MSMEs Office in Sinjai Regency. Through a qualitative approach based on literature review, this research integrates findings from various scientific sources to build a more holistic understanding of how human dimensions—commitment, competence, communication, leadership, and culture—interact and influence the success of strategy implementation. The main question to be answered is: what human factors are most decisive in the implementation of the MSME empowerment program strategy, how do these factors interact with each other, and what are the implications for strengthening the capacity of the Cooperative and MSME Office in carrying out the empowerment mandate?

METHOD

This research uses a qualitative approach with a systematic literature review design. The qualitative approach was chosen because the research aims to deeply understand the meaning, processes, and dynamics of human factors in strategy implementation, rather than to test causal relationships between variables that can be measured numerically. Literature review as a research method allows researchers to integrate findings from various sources—journal articles, research reports, policy documents, and agency performance reports—to build a comprehensive analytical framework on the topic being studied.

The data sources in this research consist of two main categories. First, the primary sources include scholarly journal articles relevant to the topic of strategy implementation in the public sector, human factors in public organisations, and MSME empowerment. The literature search was conducted through academic databases such as Garuda (Digital Reference Garba), Google Scholar, and educational institution repositories. The keywords used include a combination of "strategy implementation," "human factors," "public organization," "SME empowerment," "Cooperatives and SMEs Office," and "Sinjai Regency." Inclusion criteria include articles published in the last ten years, directly relevant to the topic, and from credible sources. Secondly, secondary sources that include policy documents, agency performance reports, and official publications from local governments that provide empirical context about the conditions of MSME empowerment in Sinjai Regency and other regions with similar characteristics.

Data analysis is conducted through three stages. The first stage is data reduction, where the researcher selects and focuses on information relevant to the research question. The second stage is data presentation, where findings from various sources are organised into main themes that reflect the dimensions of human factors in strategy implementation. The third stage is conclusion drawing and verification, where the researcher interprets patterns and relationships between themes to produce a coherent

understanding of the role of human factors. Thematic analysis is used as a framework to identify, analyse, and report patterns of meaning within the data.

The limitations of this research need to be acknowledged. As a literature study, this research did not collect primary data through interviews or direct observations at the Cooperatives and SMEs Office of Sinjai Regency. Therefore, the findings of this research are analytical-conceptual in nature and need to be validated through further empirical research. However, these limitations do not diminish the value of the research contribution, as a systematic literature review can provide a useful analytical framework for understanding complex dynamics and guiding further research.

RESULT AND DISCUSSION

Commitment of Implementers as the Foundation of Implementation

The first finding that consistently emerges from various literature is that the commitment of implementers—both at the leadership and staff levels—is the main foundation for the success of strategy implementation. A study on the Cooperative and Micro Business Office of Batam City shows that high commitment from both the leadership and staff in effectively carrying out activities, as well as good coordination among technical fields, are the main factors driving optimal activity achievements. This finding emphasises that without strong commitment, even the best strategies will experience degradation in their implementation.

However, the literature also shows that commitment cannot be assumed to be something given. In the context of public organisations facing budget constraints and political pressure, the commitment of implementers is vulnerable to erosion. A study in Kenya shows that the lack of adequate budget allocation for the strategy implementation process not only hinders program execution but also reduces employee motivation and commitment. This indicates a reciprocal relationship between organisational support and individual commitment: when implementers feel that the organization provides sufficient resources, they tend to respond with higher commitment, and vice versa.

In the context of Sinjai Regency, the challenges of implementer commitment need to be understood within the framework of existing structural limitations. Reports on the limitations of regional budgets and the lack of continuous support for SMEs in Sinjai indicate that the implementers of empowerment programs face less-than-ideal working conditions. High commitment is still necessary, but commitment alone is not enough if it is not accompanied by adequate organisational support. Literature studies on public organisations emphasise that effective leadership—which can inspire and motivate employees—is crucial to ensuring that strategies can be successfully implemented. Leaders must be able to communicate the strategic vision clearly and motivate all members of the organization to work towards the same goals.

Table 1 below summarises the synthesis of human factors in the implementation of the MSME empowerment program strategy, which includes the commitment of the implementers along with other dimensions.

Table 1. Synthesis of Human Factors in the Implementation of MSME Empowerment Program Strategies

No	Dimensi Faktor Manusia	Main Indicator	Findings from the Literature	Implications for the Cooperative and SME Office
1	Commitment of the Executor	Involvement of leadership, dedication of staff, loyalty to the program	The high commitment of leaders and staff is the main driver of activity achievements; however, this commitment is vulnerable to erosion when budget and resource support are inadequate.	Strengthening commitment is needed through the provision of adequate resources and recognition of the implementers' performance.
2	HR Competence	Knowledge of strategy, technical mentoring skills, managerial capacity	The limited knowledge of employees about the process of strategy formulation and implementation negatively impacts the implementation results; the limited number of technical assistants restricts the scope of services.	Continuous training and the addition of accompanying technical staff are needed, especially for coastal and rural areas.
3	Organisational Communication	Clarity in conveying the vision, vertical and horizontal communication, cross-field coordination	Poor communication is the main obstacle to implementation failure; coordination between technical fields is a performance driver.	Improvement of cross-functional communication mechanisms and strengthening of regular inter-departmental coordination forums
4	Leadership	Ability to inspire, vision communication, participative leadership	Weak leadership hinders implementation; visionary and participative leadership is important to ensure the strategy can be implemented.	Development of adaptive and participatory leadership capacity at the leadership and head of department levels
5	Organisational Culture	Service orientation, innovation, accountability, flexibility towards change	Bureaucratic culture and resistance to change hinder implementation; innovative and flexible culture supports the success of the strategy.	Development of a work culture orientated towards service, innovation, and accountability through exemplary leadership

Source: Processed from various literature reviewed in this research.

Human Resource Competence and the Quality of Mentoring

The second finding highlights the importance of human resource competence as a determining factor in the quality of strategy implementation. The literature shows that the lack of competence among employees is a significant barrier to strategy implementation in public organisations. A study in Nakuru County, Kenya, found that most local government employees have limited knowledge of the strategy formulation and implementation process, which has a very negative impact on the final implementation outcomes. This competency gap creates a chasm between what is planned at the strategic level and what can be executed at the operational level.

In the context of MSME empowerment, the competence of implementers not only includes an understanding of strategies and policies but also technical skills to provide quality assistance to business actors. A report from the Cooperatives and Micro Enterprises Office of Batam City identifies that the limited number of facilitators and technical staff results in suboptimal service coverage, especially in the hinterland areas. These limitations indicate that competence is not only a matter of individual quality but also the quantity of personnel available to perform the mentoring function.

Furthermore, the literature on strategy implementation in the Indonesian public sector highlights a misalignment between strategy and human resource management due to a lack of staff competence. This indicates that the issue of competence is not an isolated problem, but is closely related to how organisations strategically manage their human resources. Without a recruitment, development, and placement system aligned with the needs of strategy implementation, the competency gap will continue to be an obstacle. In the context of Sinjai Regency, the limited number of facilitators and technical staff is recognised as an obstacle in the efforts to empower MSMEs. This emphasises that strengthening the competencies and capacities of human resources is a non-negotiable priority. Literature studies show that involving all layers of the organization in the planning and implementation process of strategies can reduce resistance and enhance the collective capacity of the organization. In other words, competency development is not only the responsibility of individuals but also the responsibility of the organization to create an environment that supports continuous learning and development.

Table 2. Human Factor Barriers in Strategy Implementation in Public Organisations

No	Type of Obstacle	Description	Literature Source	Relevance to the Context of Sinjai
1	The limitation in the number of technical assistants	the number of facilitators is not proportional to the number of MSMEs that need to be served, resulting in suboptimal outreach and intensity of assistance	Report from the Cooperative and Micro Business Office of Batam City	Relevant, because Sinjai has MSMEs spread across coastal and rural areas that are difficult to reach.
2	The low managerial capacity of the implementers	Employees lack an understanding of the strategy formulation and implementation process, resulting in execution not aligning with the strategic plan.	Studies in Nakuru County, Kenya	Relevant, because the limitations in managerial competence are often found in regional offices.
3	Poor communication	The communication of the vision and strategic goals is unclear, so the frontline staff do not understand their role in achieving the objectives.	Literature review on public sector strategic management	Relevant, because the fragmentation of communication between fields is still a challenge.
4	Fragmentation of inter-agency coordination	The lack of synergy among related institutions (Department of Trade and Industry, DPMPTSP, vertical agencies) in supporting the MSME empowerment program.	Report from the Cooperative and Micro Business Office of Batam City; study on the low synergy between institutions	Relevant, because the low synergy between institutions is a challenge in Sinjai.
5	Resistance to change	Hierarchical structures and rigid procedures slow down decision-making and the implementation of changes.	Study of bureaucracy literature and resistance to change	Relevant, because the bureaucratic culture is still dominant in regional device organisations.
6	Budget and resource constraints	Inadequate budget allocation reduces the motivation and commitment of program implementers.	Studies in Kenya	Relevant, because the limited regional budget has become a structural obstacle in Sinjai.

Source: Processed from various literature reviewed in this research.

Organisational Communication and Cross-Functional Coordination

The third finding emphasises the role of organisational communication as a link between strategic vision and action on the ground. Strategic management literature emphasises that effective communication is key to ensuring that all members of the organization understand how their roles contribute to the larger strategic goals. Without clear communication, frontline employees will not be able to align their actions with the organization's strategic direction.

Studies on strategy implementation in public organisations identify poor communication as one of the main barriers causing implementation failures. These findings are consistent with the literature that shows ineffective communication between senior management and operational staff creates gaps in understanding of goals, priorities, and performance expectations. In the context of the Cooperatives and SMEs Office, effective communication between leadership, technical fields, and field assistants is a prerequisite to ensure that the MSME empowerment program is implemented consistently and coordinated.

More than just vertical communication, the literature also highlights the importance of horizontal coordination between units and across agencies. A study on the Cooperatives and Micro Enterprises Office of Batam City noted that good coordination among technical fields is one of the driving factors for performance achievements. Collaboration with related stakeholders such as DPMPTSP, the Department of Trade and Industry, and other vertical agencies has also become a strategy adopted to strengthen program implementation. This shows that communication and coordination are not only internal organisational issues but also external issues involving a broader network of stakeholders.

In the context of Sinjai Regency, the low synergy between institutions has become one of the challenges faced in community empowerment. This emphasises that strengthening communication and cross-functional and inter-agency coordination is an intervention needed to enhance the effectiveness of strategy implementation. Literature shows that effective communication enables the sharing of necessary operational information so that everyone understands the domino effect of their actions and decisions, as well as the synergy and efficiency that can be achieved by unifying perspectives on various dispersed activities.

Leadership and Organisational Culture

fourth finding highlights the role of leadership in shaping an organisational culture that supports strategy implementation. The literature shows that weak or ineffective leadership can hinder the strategy implementation process, while visionary leadership that can inspire employees is crucial to ensuring the strategy can be successfully implemented. Leaders not only act as decision-makers but also as meaning-makers who help organisational members understand why a particular strategy is important and how their roles contribute to achieving the goals.

Studies on strategy implementation in the Indonesian public sector highlight that leaders must be able to communicate a strategic vision clearly and motivate all members of the organization to work towards the same goals. However, effective leadership is not just about communicating a vision. The literature also emphasises the importance of participatory leadership, where employees are involved in strategic decision-making. A study in Kenya shows that employees are more productive when top management demonstrates commitment, including by communicating the importance of compliance with requirements, setting standards of quality excellence, and ensuring the provision of essential resources.

In the context of public organisations facing resistance to change, adaptive and participative leadership becomes increasingly important. The literature suggests that the involvement of all layers of the organization and stakeholders in the planning and implementation process of strategies is key to reducing resistance to change. Additionally, the development of an organisational culture that supports innovation and flexibility can help overcome bureaucracy and resistance. This shows that leadership is not just about directing, but also about creating organisational conditions that enable successful strategy implementation.

In the context of the Cooperatives and SMEs Office of Sinjai Regency, leadership that can build an organisational culture orientated towards service and empowerment becomes a key factor. Literature shows that political changes and pressure from stakeholders can add layers of complexity that must be managed by public organisations. Therefore, effective leadership in this context requires the ability to navigate external pressures while maintaining focus on the organization's strategic goals.

Interaction Between Human Factors and Its Implications

Further analysis of the above findings reveals that human factors do not operate in isolation, but rather interact with each other in shaping the outcomes of strategy implementation. Commitment without competence tends to result in enthusiastic but unfocused efforts. Competence without commitment results in underutilised capacity. Effective communication without supportive leadership tends to lose strategic direction. Strong leadership without a conducive organisational culture tends to create dependency on certain figures rather than strengthening collective capacity.

Literature on strategy implementation in the public sector emphasises that successful implementation requires a holistic and integrated approach. It is not enough to improve just one dimension of human factors separately; what is needed is simultaneous and mutually reinforcing interventions. Studies on organisational change in the Indonesian public sector show that planning and strategy development, alignment between strategy and actual organisational conditions, strategy implementation, maintenance of organisational change, and strategy reorientation are interrelated stages that require attention to the human dimension at each stage.

The following Table 3 illustrates how the combination of human factors can produce different implementation outcomes.

Table 3. Interaction Between Human Factors and Their Impact on Strategy Implementation

No	Kombinasi Faktor Manusia	Luaran Implementasi	Penjelasan
1	High commitment + low competence	Enthusiastic but aimless effort	The implementers are enthusiastic about running the program, but they lack the knowledge and technical

			skills to execute it effectively.
2	High competence + low commitment	Capacity is not being utilised optimally.	The executor has adequate abilities, but low motivation and dedication prevent that potential from being realised.
3	Good communication + weak leadership	Losing strategic direction	Information flows smoothly, but without clear direction and vision from the leader, communication does not result in meaningful coordination.
4	Strong leadership + Unfavourable organisational culture	Dependence on a certain figure	The success of implementation heavily relies on the leader, but it is not embedded in the organisational culture, making it unsustainable.
5	5 Commitment + Competence + Communication + Leadership + Culture that Reinforces Each Other	Implementation of effective and sustainable strategies	All dimensions of human factors work synergistically, creating a strong organisational capacity to implement strategies consistently.

Source: Processed from various literature reviewed in this research.

The implication of this understanding is that strengthening the capacity of the Cooperative and SME Office in implementing MSME empowerment strategies cannot be done partially. A comprehensive approach is needed that includes competency development through continuous training, strengthening cross-functional communication and coordination systems, developing adaptive and participatory leadership, and building an organisational culture that supports innovation and accountability. Intervention in just one dimension, without support from other dimensions, tends to result in unsustainable changes.

Table 4 below presents practical recommendations directed at each dimension of the human factor, as a derivative of the analysis that has been conducted.

Table 4. Recommendations for Strengthening Human Factors Based on Dimensions

No	Combination of Human Factors	Implementation Output	Explanation	Success Indicator
1	Commitment of the Implementer	Provision of adequate resources, performance	Short to medium term	Improvement in employee

		recognition and reward systems, involvement of implementers in strategic decision-making Short–medium term		satisfaction index and retention
2	HR Competence	Continuous training on strategic management and MSME mentoring, addition of technical support staff, mentoring program	Medium–long term	Increase in the number of serviced MSMEs and the quality of mentoring
3	Organisational Communication	Improvement of cross-functional communication mechanisms, regular coordination forums, utilisation of information technology to share strategic information	Short term	Reduction of the gap in understanding strategic goals between units
4	Leadership	Development of adaptive and participatory leadership capacity, vision communication training, leadership rotation to share experiences	Medium term	Improvement in leadership scores in the internal survey
5	Organisational Culture	Development of a work culture orientated towards service, innovation, and accountability through exemplary leadership and a reward system	Long-term	Organisational behaviour changes measured through the work culture index

Source: Processed from various literature reviewed in this research.

As a learning and comparison material, the following Table 5 presents a comparison of the context of MSME empowerment strategy implementation in several regions with similar characteristics to Sinjai Regency.

Table 5. Comparison of the Context of Strategy Implementation in Several Regions

No	Region	Context Characteristics	Human Factor Challenges	Lessons Learned
1	City of Batam	Urban areas with a large number of SMEs have more open market access.	Limited technical support for the hinterland area; inter-departmental coordination is already good.	The importance of cross-sector coordination and collaboration with external stakeholders
2	Sinjai Regency	Coastal and rural areas, MSMEs are dispersed, market access is limited.	Budget constraints, minimal ongoing support, low synergy between institutions	A community-based approach and strengthening of local capacity are needed.
3	Nakuru County, Kenya	Agricultural areas with small-scale SMEs, limited infrastructure	Employee knowledge about the strategy is limited; budget allocation is inadequate.	Reduction of the gap in understanding strategic goals between units
4	City of Malang	Regions with developing halal and digital ecosystems	Challenges of technology adaptation and halal certification	There is a need for strengthening digital competencies and facilitating certification.

Source: Processed from various literature reviewed in this research.

CONCLUSION

This research concludes that human factors—including the commitment of implementers, human resource competence, organisational communication, leadership, and work culture—play a decisive role in the implementation of the MSME empowerment program strategy at the Cooperatives and MSMEs Office in Sinjai Regency. Commitment serves as the foundation that drives all implementation efforts, but high commitment without adequate support in competence and effective communication tends to result in suboptimal implementation. The limited number of

technical assistants, the low managerial capacity of implementers, and the fragmentation of coordination between fields and across agencies are the most frequently encountered human obstacles.

The theoretical contribution of this research lies in reinforcing the understanding that the implementation of strategies in the public sector is not merely a matter of policy design and budget allocation, but rather an issue of organisational behaviour and human resource management. Human factors do not operate in isolation; rather, they interact with each other in shaping implementation outcomes. Therefore, efforts to strengthen organisational capacity in strategy implementation require a holistic and integrated approach.

Practical recommendations are directed towards three main areas. First, strengthening the capacity of implementers through continuous training that not only covers the technical aspects of MSME empowerment but also managerial and leadership aspects. Second, refining cross-functional and inter-agency communication mechanisms to ensure effective coordination in program implementation. Third, developing incentive and reward systems that encourage accountability, innovation, and long-term commitment from program implementers. Further research is recommended to conduct empirical validation through direct field studies at the Cooperatives and SMEs Office of Sinjai Regency to enrich the conceptual findings of this study.

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