

# Conceptual Framework of Collaboration Model for Batik MSME in Indonesia for the Development of Soft Innovations

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**Abstract:** *Soft innovation is suitable for the craft industry because it has significant relevance to creativity. To support the handicraft industry to develop its business through innovation, some assistance from the government has been given a lot but it does not fully involve the imagination, capacity, and innovation of craftsmen. The problem that occurs if the unique potential of these participants is neglected is the ineffectiveness of empowerment programs such as training and tutoring carried out because the needs and abilities of participants vary, in such a way that program funds issued by the government will be wasted and do not increase the competitiveness of the participants, thus threatening to shrink the contribution to the country's GDP. This happens because there is no soft innovation creative collaboration model in Indonesia and from the existing references, most of them are still about innovation collaboration models in general. It is very important to research the development of soft innovation of handicraft products in Indonesia related to the conceptual framework of the soft innovation collaboration model for Batik MSMEs in Indonesia. The purpose of this study is to create a conceptual framework for the collaboration model of batik MSMEs in Indonesia for the development of soft innovation where the benefits are to facilitate the creation of creative collaboration models for batik MSMEs. The method used in this study is qualitative research with a literature approach. In the conceptual framework, the variables used are internal factors consisting of human resources, structure, strategy and external factors consisting of markets, governments, academics, communities.*

**Keywords:** conceptual framework, creative collaboration, soft innovation

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## 1. Introduction

In Indonesia, the first creative industry study was conducted by the Ministry of Trade of the Republic of Indonesia (Depdagri) in 2007. The creative economy sector contributed to the Gross Domestic Product of US\$ 69.8 million in 2017, rising to US\$ 76.78 million in 2018. In 2019, the creative industry contributed to the country's GDP of US\$ 83.76 million. According to (Nurfadilah & Munaf, 2018), the three subsectors that support the creative economy are culinary, fashion and craft. The handicraft sector has the highest labor multiplier among other

creative industry sub-sectors (Sukma et al., 2018). The handicraft industry does not depend on natural resources but on the intellectual capacity of human resources to develop innovative products or markets.

According to (D., 2019), handicrafts in Indonesia consist of wicker, batik, pottery, carvings and statues, carvings, puppets, wickers and masks. Each craft has its own characteristics in its development. One of the handicrafts, namely batik knitting, is very developed in Indonesia, according to (Nurchayanti et al., 2020) that the role of Javanese local wisdom in preserving traditional batik in Girilayu can run effectively through the support of intensive family and school education. According to (Siregar et al., 2020) there are still many obstacles experienced by batik MSMEs in Indonesia ranging from products, marketing, human resources, capital, and the environment. Although the handicraft creative industry in Indonesia is included in the three main contributors to the country's GDP, there are problems related to human resources that need to be improved so that the position of the creative industry of the handicraft sub-sector, including batik crafts, can survive and even increase. The workforce in Indonesia's creative industries is very weak in bargaining power and weak in providing company profits, so it needs improvement and must also pay attention to the Indonesian government for progress (Arifin & Sugiyanto, 2015).

In addition to strengthening human resource development, the long-term sustainability of the creative industry also depends on the company's ability to innovate, where the innovation process can take place in the presence of the energy of creative people in the company when they are given support and freedom to accommodate creativity in the creation of joint products (Leadbeater & Miller, 2004); (Yun & Sproull, 2001); (Nieborg, 2005). The term innovation is defined as the application of the production of goods and services. This means improved quality of products and services as well as increased process effectiveness (Department for Business Innovation & Skills, 2014). This means that there are no limits to exploiting new ideas. Exploitation of new ideas can be carried out in the improvement of functional products. Another statement defines innovation as "a new or improved product or process (or combination thereof) that differs significantly from the previous unit's product or process and that has become available to potential users (product) or is used by the unit (process)" (OECD/Eurostat, 2018).

Some literature and innovations related to the research results explain the shift in the meaning of innovation that begins to consider aesthetic innovations, including design innovation and style innovation. The main distinguishing feature identified is the contrast of aesthetic and functional points of view (Alcaide-Marzal & Tortajada-Esparza, 2007); (Swann, 2005). Research results have been known to study more rigorous innovations based on product functionality and soft innovations that emphasize functional and aesthetic aspects as well as intellectual property. Soft innovation research in the creative industry of the craft and fashion subsector summarizes that in developing soft innovations in the Indonesian creative industry, collaboration-creation (co-creation) is able to mediate well between the variable orientation of the entrepreneurial variables of creative people (Astuty, 2018).

Soft innovation is currently important alongside innovation rather than functionality and technology where the emphasis of innovation lies in terms of aesthetics and intellectual property rights (Stoneman, 2010). Soft innovation lends itself well to the craft industry because it has significant relevance to creativity. It takes a creative workforce that is able to generate ideas and innovations. The workforce in Indonesia is generally still low in quality education.

From these data, it can be seen that the achievement of the Programme for International Student Assessment (PISA) in education organized by the OECD (Organization for Economic Cooperation and Development (OECD) from 2000 to 2018 did not increase significantly. If referring to the historical results of PISA, the improvement in the quality of Indonesian education is very slow and is expected to reach the OECD average score in 2065 (World Bank, 2018). The percentage of lower secondary education workers is still quite large in 2021 which amounted to 54.66% of the total number of employees (Febrinastri, 2021).

Based on the level of education and residence, which is dominated by graduates of Junior High School (SMP) and below with the three largest subsectors, namely the culinary subsector at 50.14 percent, the craft subsector at 24.30 percent, and the fashion subsector at 22.98 percent. If it is seen that the percentage of labor in Indonesia with an education level is dominated by junior high school (SMP) graduates and below, in the handicraft subsector of 24.30 percent, this shows that the workforce of the handicraft subsector needs special attention in terms of their education and skills.

Today's Indonesian workforce needs to be prepared to be more competitive, especially mastery of information technology, development of ideas or innovations, creative efforts and soft skills. Creative work for ideas and innovation, in the future can be the key to winning the competition (Asmat, 2020). One aspect that can be used as part of a business strategy is innovation. Conclusion of the research conducted by (Rofaida et al., 2019); (Barnawi et al., 2019); (Suhaeni et al., 2018) that there is a positive relationship between the innovation strategy of the craft industry and competitive advantage in the Industrial Revolution era. 4.0.

To support the handicraft industry to develop its business through innovation, some assistance from the government has been given a lot. Several institutions, both government and non-profit organizations, have programs to support the progress of MSMEs in Indonesia. One of the facilities provided by the government for MSMEs as stated in (Presiden RI, 2021) government Regulation (PP) Number 7 of 2021 concerning Facilities, Protection and Empowerment of Cooperatives and Micro, Small and Medium Enterprises, is made so that MSMEs can advance to class.

Although this program offers value and provides new insights to craftsmen, it does not fully engage the imagination, capacity, and innovation of craftsmen. As a top-down policy initiative, the program ignores participants' unique potential as well as the local context (Marjoko, 2016); (Prayogo, 2012). The problem that occurs if the unique potential of these participants is neglected is the ineffectiveness of empowerment programs such as training and tutoring that are carried out because the needs and abilities of participants vary, in such a way that program funds spent by the government will be wasted - also do not increase the competitiveness of the participants, thus threatening to shrink the contribution to the country's GDP. This happens because there is no soft innovation creative collaboration model in Indonesia and from the existing references, most of them are still about innovation collaboration models in general. The purpose of this study is to create a conceptual framework for the collaboration model of batik MSMEs in Indonesia for the development of soft innovation where the benefits are to facilitate the creation of creative collaboration models for batik MSMEs. From the explanation above, it is very important to examine the development of soft innovation of handicraft products in Indonesia related to the conceptual framework of the soft innovation collaboration model for Batik MSMEs in Indonesia.

## 2. Materials and Methods

The method used in this study is qualitative research with a literature approach. Steps to create a conceptual framework (Regoniel, 2020) is the first to determine the research topic, the second to conduct a literature review, the third to isolate important variables and the fourth to produce a conceptual framework. In determining the research topic (Fernández-Cano et al., 2012), The factors to consider are:

- i. The proposed topic has been in line with the concentration and field of science that the author is working on.
- ii. The author has an interest and relationship with the concentration of knowledge and the topic.
- iii. The topics determined have contemporary elements, both in terms of time aspects, issues, stakeholder needs and so on.
- iv. Data availability and accessibility
- v. The time needed can be estimated or estimated so that the completion is within the specified target.
- vi. The proposed topic is relevant and has scientific rules.

In the literature review stage, it is carried out to review the understanding of the concept of soft innovation which includes the creative industry, the contribution of the creative industry in Indonesia to local economic development, issues and challenges, the concept of soft innovation and the practice of soft innovation. In the stages of isolating important variables through stages as conveyed by (Jumoke & -Oyebanji, 2017) that to understand variables, it is necessary to know some related terms namely concepts, objects and properties. A concept is an abstract tag that symbolizes an aspect of reality, for example a phenomenon, problem or object. The objects here are people, places, or things on which the research is based. Properties are characteristics or attributes of an object, i.e. they describe some characteristics of an object in terms of size, color, height, weight and so on. So variables are properties that take different values as circumstances and situations change. After obtaining variables, a conceptual framework was created related to the soft innovation of Batik MSMEs in Indonesia. The conceptual framework is constructed using a mixture of variables from scientific articles, while constructing references can also be from problem statements or research objectives.

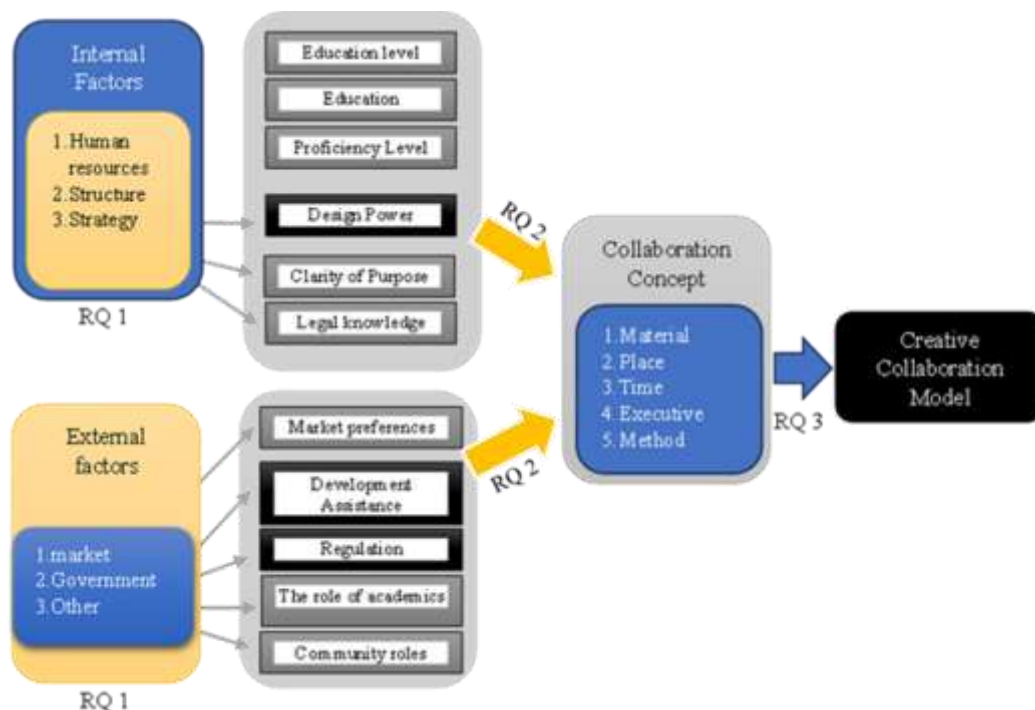
## 3. Results and Discussions

The topic raised in this study is a creative collaboration model of soft innovation for Batik MSMEs in Indonesia in accordance with the author's field of science, namely product design. The topic raised is also a contemporary topic because the handicraft industry that is included in the creative industry is a worldwide discussion because it is able to improve not only the world economy but improve various positive aspects of life. Innovation is also a contemporary topic because it is proven to be able to increase the revenue of every company that applies it. Some literature reviews that have been carried out include the creative industry, the contribution of the creative industry in Indonesia to local economic development, issues and challenges, the concept of soft innovation and the practice rather than soft innovation. A summary of the literature review that has been carried out can be explained as follows. MSME handicraft industry related to soft innovation, it was found that design innovation as part of soft innovation is very important to study because it affects product evaluation. Design innovation greatly affects the development of the craft industry because one aspect that affects product sales is design. MSMEs as actors of the handicraft industry are experiencing a dilemma where

the handicraft industry is one of the creative industry subsectors that contributes to the country's GDP and is included in the three largest contributors to the creative industry sector but has obstacles including the government. Help in the form of Training is still not effective as most of them are still top-down and there is very little touch on design development. Research on soft innovation of handicraft products that has been carried out by other parties has also not been carried out much, thus providing opportunities for research on soft innovation of handicraft products.

The MSME craft cooperation model in Indonesia has been carried out by local governments and can also be done through cooperation with universities. Most of the cooperation through training activities is still carried out between training implementers and trainees. Meanwhile, the role of consumers is also indispensable in the realization of design innovations in accordance with consumer preferences. Thus, creative collaboration is one alternative to achieve the success of craft industry design innovation. From the literature review that has been carried out, it can be isolated important variables through the stages of determining the research concept in this case in the form of a problem, namely the collaboration model of batik crafts in Indonesia has not been maximized. So that the object discussed is batik artisans in this case are batik MSMEs in Indonesia. Based on the literature review that has been done, the sub-variables that affect the problem of the batik craft collaboration model are less than optimal are human resources and also the role of the government, but it does not rule out the possibility that other sub-variables also affect so that the variables or properties of the objects that can be discussed are internal factors consisting of human resources, structure and strategy of Batik MSMEs in Indonesia and external factors, namely the market, government and others.

From the description above, a conceptual framework can be made for the Creative Collaboration Model of Soft Innovation for Batik MSMEs in Indonesia, which starts from existing problems associated with existing variables as a direction to be able to answer existing problems. The conceptual framework can be illustrated in the chart as follows.



**Figure 1: The conceptual framework of the creative collaboration model of soft innovation for Batik MSMEs in Indonesia**



From the chart, it can be explained that to create a model of creative collaboration soft innovation for batik MSMEs in Indonesia begins by examining internal and external factors that inhibit batik MSMEs in soft innovation. After obtaining the results of research on factors that inhibit both internal and external, it can be associated with the concept of collaboration in accordance with the conditions of batik MSMEs.

#### 4. Conclusion

In the conceptual framework, the variables used are internal factors consisting of human resources, structure, strategy and external factors consisting of markets, governments, academics, communities. Internal and external factors related to design innovation need to be examined how the concept of collaboration is in accordance with existing circumstances. Expected collaboration materials, where to collaborate, when is the right time for collaboration, who are the implementers involved in the expected collaboration and how the collaboration is carried out. So that after the collaboration model designed based on the existing conditions in Batik MSMEs in Indonesia is tested, a soft innovation creative collaboration model will be formed for Batik MSMEs in Indonesia that is most suitable.

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