

THE ROLE OF KNOWLEDGE SHARING AND COMPETENCE IN IMPROVING THE PERFORMANCE OF RATTAN BAG CRAFT MSMEs IN PALANGKA RAYA

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Abstract. *This study aims to explore the influence of knowledge sharing and competence on the performance of rattan bag SMEs in Palangka Raya through a qualitative approach with a case study design. Data were collected using in-depth interviews, participatory observation, and documentation involving SME actors, business assistants, and supporting institutions. The findings indicate that knowledge sharing, although mostly conducted informally, has played a significant role in improving innovation, market access, and adaptability to market changes. Meanwhile, competence, both technical and managerial, contributes directly to product quality, production efficiency, and business sustainability. The interaction between knowledge sharing and competence creates a collaborative environment that supports continuous learning and growth. Strengthening both aspects is crucial for enhancing the competitiveness and long-term performance of local rattan-based creative industries.*

Keywords: *Knowledge Sharing; Qualitative Research; Rattan Crafts; SME Competence; SME Performance*

1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a highly strategic role in driving economic growth and absorbing labor, especially in developing regions such as the city of Palangka Raya. One type of MSME that shows great potential but has yet to be fully optimized is the rattan bag handicraft business (Wicaksono et al., 2021). These products possess high cultural value and strong aesthetic appeal, and are increasingly in demand in both local and international markets, particularly among tourists and eco-conscious consumers.

In the context of MSMEs, knowledge sharing is crucial for fostering innovation, improving efficiency, and strengthening collaboration among business actors (Mariana Febrianti & Aprilia, 2022). Through knowledge sharing, rattan bag entrepreneurs can learn from one another about new production techniques, creative designs, business management, and digital marketing strategies that align with current trends. According to Nonaka and Takeuchi (1995), effectively shared knowledge enhances an organization's ability to learn and adapt, thereby improving performance and competitiveness.

However, despite promising opportunities, rattan bag MSMEs in Palangka Raya still face several challenges that hinder the improvement of their business performance. Field observations reveal that many MSME actors continue to operate individually, with limited collaboration and minimal sharing of information regarding efficient production techniques, the latest design trends, or digital marketing strategies (Ahmad-Fauzi & Md Saad, 2024). Moreover, the skills and expertise of MSME actors vary greatly; most have not received ongoing training, either in technical production or in managerial aspects such as financial and marketing management.

Skills or expertise refer to an individual's ability to carry out specific tasks or jobs effectively and efficiently. According to (Hasan & Uthmaputhran, 2022), skills fall under the category of individual competencies, which include knowledge, technical skills, character, and motivation all of which have a direct impact on performance. In the MSME

context, skills refer to an entrepreneur's capability to manage production processes, product design, raw material selection, as well as marketing and financial management.

This situation has created a performance gap among MSME actors, where only a small number are able to survive and grow, while the rest remain stagnant or experience a decline in productivity (Ensari & Karabay, 2014). In fact, within the development of craft-based MSMEs, two key aspects that can drive business performance are knowledge sharing and individual expertise. Through knowledge sharing, MSME actors can exchange information and experiences, co-create innovations, and enhance their business capacities. Meanwhile, having the skills to produce quality rattan bags, understand market preferences, and manage the business professionally is essential to creating product competitiveness in broader markets (Ensari & Karabay, 2014).

Based on these problems and potentials, this study aims to analyze the influence of knowledge sharing and expertise on the performance of rattan bag MSMEs in Palangka Raya. This research is expected to provide both theoretical and practical contributions in formulating sustainable MSME development strategies through a knowledge-based approach and the enhancement of human resource capacity

1.1 Technical and Managerial Skills in Rattan Bag Production

Technical skills such as rattan weaving, pattern design, and product finishing significantly influence the quality and appeal of the rattan bags produced. Meanwhile, managerial skills—such as stock management, pricing, customer service, and digital marketing—are also crucial in sustaining the business.

A study by (Murtianingsih et al., 2021) states that improving individual skills through training, work experience, and education contributes positively to productivity and organizational performance, including in MSMEs. Therefore, investing in the skill development of MSME actors is a key strategy in growing small businesses based on local wisdom, such as rattan bags in Palangka Raya.

2. LITERATURE REVIEW

2.1 The Influence of Knowledge Sharing on MSME Performance

Knowledge sharing is a process in which individuals or groups within an organization exchange information, experiences, ideas, and skills to achieve common goals. According to (Ackoff et al., 2010), knowledge sharing is the activity of transferring one's knowledge to others within an organizational context, both explicitly (through documents, procedures, data) and tacitly (through experience, intuition, and skills).

The impact of knowledge sharing on MSME performance is highly significant and covers various aspects related to business capability enhancement, product innovation, operational efficiency, and market competitiveness. The following explains this further:

2.2 The Impact of Knowledge Sharing on MSME Performance

1. Enhancing Product Innovation. Through knowledge sharing among MSME actors (both formally through training and informally through discussions and joint practices), entrepreneurs can gain new ideas for design, packaging, and production techniques. This is especially important in creative industries such as rattan bags, which require unique designs that follow market trends.

2. Accelerating Learning and Adaptation. By sharing knowledge, MSME actors do not need to start from scratch or repeat the same mistakes, as they can learn from others' experiences. This makes capacity-building processes more efficient and adaptive to market or technological changes.

3. Improving Operational Efficiency. MSMEs that share information about raw material sources, time-saving production techniques, or cost-effective distribution methods can significantly increase cost and time efficiency, directly impacting profitability and business competitiveness.

4. **Strengthening Collaboration and Business Networks.** Knowledge sharing often becomes a gateway to forming supportive business communities. This creates strong business networks, builds trust among MSME actors, and opens opportunities for collaboration in marketing, procurement, or market expansion.

5. **Enhancing Decision-Making Capabilities.** Knowledge gained from others helps MSME actors make more informed decisions, such as selecting new technologies, determining selling prices, or setting effective promotional strategies. Theoretical and Research Support:

- Nonaka & Takeuchi (1995) argue that organizations that effectively manage and share knowledge tend to be more innovative and competitive.
- Wang & Noe (2010) show that knowledge sharing has a positive impact on productivity, creativity, and problem-solving abilities in the context of small and medium-sized businesses.
- Dalkir (2011) adds that knowledge sharing accelerates the dissemination of best practices among entrepreneurs, which directly improves collective performance.

Overall, knowledge sharing positively influences MSME performance by: Encouraging innovation, increasing efficiency (Evrosimovska et al., 2019), Accelerating learning processes, expanding business networks, and Strengthening business resilience in facing market challenges.

2.3 The Influence of Competence on MSME Performance

1. **Improving Product and Service Quality.** The competencies possessed by MSME actors—particularly technical skills in the production process (such as weaving, finishing, and rattan bag design)—directly influence the quality of the products they create. High-quality products are more attractive to the market, leading to increased sales and business sustainability (Gabor et al., 2020).

2. **Accelerating Production Processes and Cost Efficiency.** High-level skills enable MSME actors to work more quickly, accurately, and with fewer errors. This saves time and production costs while increasing the number of products produced within a given timeframe. Such efficiency is crucial for MSMEs with limited resources.

3. **Enhancing Market Competitiveness.** MSME actors with strong competencies can develop unique, innovative products that meet market demands. This ability provides a competitive edge, differentiating their products from competitors—especially in niche markets like rattan craft.

4. **Strengthening Overall Business Management.** Competence includes not only technical skills but also managerial abilities such as business planning, financial recordkeeping, stock management, customer service, and marketing strategies. The better these competencies, the more professional the MSME's business management becomes.

5. **Supporting Adaptability to Change.** Competent MSMEs are more capable of adapting to changes in technology, consumer behavior, and market policies. For example, entrepreneurs with digital competencies can market products online, use social media effectively, and access export markets.

3. RESEARCH METHODS

3.1 Research Approach and Design

This study adopts a qualitative approach with a case study design. A qualitative approach was chosen to explore in depth how knowledge sharing and competence

influence the performance of rattan bag MSME actors in Palangka Raya City. The case study design allows researchers to understand the context, experiences, and social-cultural dynamics involved in the development of MSMEs based on local handicrafts (Diawati, 2020).

3.2 Research Location and Subjects

This research was conducted in Palangka Raya City, Central Kalimantan, focusing on MSME actors engaged in rattan bag handicrafts. The location was chosen based on the consideration that the area has a growing potential in rattan crafts but is not yet fully optimized in terms of knowledge management and skill development.

The research subjects include:

- Rattan bag MSME actors (business owners, artisans)
- MSME facilitators (from the cooperative office/local mentors)
- Local consumers (as supplementary data for triangulation)

3.3 Data Collection Techniques

Data were collected through the following methods:

- In-depth interviews: Used to explore experiences, knowledge-sharing practices, technical and managerial competencies, and perceptions of business performance.
- Participant observation: The researcher directly observed the production process, interactions among MSME actors, and community business activities.
- Document study: Included collecting secondary data such as business profiles, training records, and MSME activity reports.

3.4 Data Analysis Techniques

Data analysis was conducted using thematic analysis, identifying key themes that emerged from interviews, observations, and documentation. The steps include:

1. Transcribing interview data and field notes
2. Initial coding based on conceptual categories such as knowledge sharing, competence, and MSME performance
3. Grouping themes based on patterns and relationships among categories
4. Interpreting meaning within the social, cultural, and local MSME context

To ensure data validity, the researcher employed source triangulation and participant validation techniques—confirming findings with the research subjects.

3.5 Data Validity

To ensure the credibility and validity of the research findings, the following techniques were used:

- Source triangulation (MSME actors, facilitators, and consumers)
- Member checking (confirming findings with informants)
- Audit trail (traceable analysis process by advisors or peer reviewers)

4. RESULTS AND DISCUSSION

4.1 Descriptive Research Findings

This study explored the influence of knowledge sharing and competence on the performance of rattan bag MSMEs in Palangka Raya City. Data were collected from six MSMEs through in-depth interviews, participant observation, and document analysis. The findings are presented descriptively based on three key themes: knowledge sharing practices, competency levels, and their relationship to business performance. Research Findings and Discussion

This study yielded several key findings based on in-depth interviews, field observations, and document studies involving six rattan bag MSMEs in Palangka Raya. The findings are grouped into three major themes: knowledge-sharing practices, MSME

actors' competencies, and their impact on business performance.

Table 1. Key Research Findings

No	Theme	Sub-Themes (Categories)	Summary of Findings
1	Knowledge Sharing	Communication patterns among actors	Occurs informally through community meetings or joint production sessions
		Sources of knowledge	Information obtained from training, social media, and fellow MSMEs
		Barriers	Lack of documentation and no regular knowledge-sharing forum
2	Competence	Technical production skills	Most actors are skilled in weaving but limited in design and finishing
		Managerial competence	Low, especially in financial recordkeeping and digital marketing
		Sources of competence	Gained through generational experience and government training
3	MSME Performance	Business productivity	MSMEs with higher competence are more productive and receive consistent orders
		Market reach	MSMEs active in knowledge sharing are more open to online and export markets
		Product innovation	Increased design quality and product variety in collaborative MSME groups

(Source: Authors, 2025)

4.2 Knowledge Sharing Practices

Knowledge sharing among MSME actors was found to occur mostly in informal settings. MSME owners and artisans commonly exchange information during joint production sessions, community meetings, or casual interactions. These exchanges include tips on weaving techniques, product finishing, supplier information, and market opportunities. The main sources of knowledge include government-led training, peer learning within local business groups, and social media platforms such as Instagram and Facebook. However, some challenges were observed:

- There is a lack of formal documentation or structured knowledge-sharing forums.
- Not all MSMEs are actively involved in community networks.
- Knowledge often remains within small groups and is not widely disseminated.

Despite these barriers, MSMEs that actively participate in informal knowledge-sharing activities showed higher adaptability to market changes and a greater willingness to innovate.

4.3 Competence of MSME Actors

Most MSME actors demonstrated strong technical skills, particularly in traditional rattan weaving techniques. However, gaps were identified in the areas of design innovation and product finishing, which are essential for increasing market appeal and competitiveness.

Managerial competencies were generally limited. Many MSMEs do not maintain proper financial records, struggle with inventory management, and lack effective digital marketing strategies. The sources of these competencies vary:

- Technical skills are mostly acquired through generational transfer and hands-on practice.
- Managerial skills are occasionally enhanced through training provided by local government agencies or NGOs, though access to such programs remains uneven.

MSMEs with a higher level of both technical and managerial competence exhibited more professional business operations and were more consistent in fulfilling market

demand.

4.4 Impact on MSME Performance

There was a clear connection between knowledge sharing, competence, and business performance:

- **Productivity:** MSMEs with strong technical skills and frequent knowledge exchange were able to produce more efficiently and consistently meet customer orders.
- **Market Reach:** Businesses that engaged in knowledge sharing were more familiar with online marketplaces and had begun exploring export opportunities.
- **Product Innovation:** Collaborative MSME groups showed noticeable improvements in product design, quality, and packaging.

Some businesses, for example, had begun producing rattan bags with modern aesthetics, catering to younger consumers and tourists. Others had experimented with combining traditional rattan with synthetic materials to create more durable and stylish products

Based on interviews conducted with 30 rattan craft MSME actors in Palangka Raya, several key findings emerged that emphasize the critical role of knowledge sharing, SME competence, and SME performance in supporting the growth and sustainability of rattan-based creative industries. The following is a detailed explanation of these findings:

1. The Importance of Knowledge Sharing

The majority of MSME actors acknowledged that knowledge sharing significantly contributes to improving product quality, innovation, and market access. Sharing knowledge through informal gatherings, community discussions, joint production activities, or social media has enabled entrepreneurs to:

- Learn new design trends and techniques
- Discover cost-effective production methods
- Gain access to new suppliers and marketing channels
- Avoid repeating common mistakes through peer learning

However, many also expressed the need for more structured platforms such as regular workshops, community training programs, or digital forums for more effective and inclusive knowledge dissemination (kumar & Kumar, 2018).

2. The Importance of SME Competence

Respondents emphasized that individual and team competence, particularly in technical and managerial aspects, has a direct impact on their ability to produce high-quality rattan crafts (Kusdiyanti et al., 2019). The most commonly highlighted competencies include:

- **Technical skills:** Rattan weaving, material selection, product finishing, and packaging
- **Managerial skills:** Inventory control, pricing strategies, bookkeeping, customer service, and digital marketing

While many MSMEs had strong traditional crafting skills, there were clear gaps in modern design, branding, and business management. Those who had received formal training or mentoring showed higher confidence in product innovation and market expansion (ASI et al., 2022).

3. The Importance of SME Performance

MSME performance was viewed not only in terms of financial outcomes but also operational efficiency, market reach, and innovation capability. Respondents reported that improved performance (Melén Hånell et al., 2017) leads to:

- Higher productivity and consistent order fulfillment

- Stronger customer satisfaction and retention
- Greater ability to penetrate online markets and explore export potential
- Enhanced resilience in facing market changes and competition

Performance improvements were closely linked to both competence and knowledge sharing. MSMEs that were competent and engaged in knowledge-sharing practices demonstrated superior performance across various business dimensions.

CONCLUSION

The findings from interviews with 30 MSME actors confirm that the development of the rattan craft sector in Palangka Raya relies heavily on three interconnected elements: knowledge sharing fosters collaboration, continuous learning, and innovation; SME competence ensures quality production and professional business operations; and SME performance reflects the overall ability of the business to grow, adapt, and compete in a dynamic market. For long-term sustainability, these elements must be supported through structured training, mentoring programs, and knowledge-sharing networks tailored to the needs of local rattan artisans.

RECOMMENDATIONS

Based on the findings of this study, several recommendations are proposed to support the improvement of MSME performance, particularly in the rattan craft sector in Palangka Raya:

1. Establish Structured Knowledge Sharing Platforms. Local government, NGOs, and academic institutions should facilitate regular knowledge-sharing forums, both offline and online, to enable MSME actors to exchange ideas, techniques, and market information. Creating digital platforms or community learning centers would also help document and disseminate best practices;
2. Strengthen Capacity-Building Programs. Training programs should not only focus on technical skills like weaving or product design, but also on managerial competencies such as financial literacy, digital marketing, business planning, and customer service. These programs should be practical, locally relevant, and accessible to all MSME actors;
3. Encourage Peer-to-Peer Mentorship. Experienced MSME actors should be encouraged to mentor less experienced entrepreneurs. This peer-based approach can accelerate learning, build trust within the community, and promote collaborative growth;
4. Promote Collaboration and MSME Networking. Creating formal business networks or cooperatives among rattan MSMEs can foster collaboration in areas such as raw material procurement, joint marketing campaigns, and participation in trade fairs. This collective effort can enhance competitiveness and access to larger markets;
5. Support Digital Transformation for MSMEs. Government and stakeholders should provide digital literacy training and tools to help MSMEs utilize e-commerce platforms, social media, and digital payment systems. This will increase visibility and help them reach national and international markets;
6. Integrate Knowledge Sharing and Competency Development into Policy. MSME development policies at the local level should include long-term strategies that integrate knowledge sharing and capacity-building initiatives. Policy support in the form of incentives, access to funding, and infrastructure will help institutionalize these efforts;
7. Further Research Recommendations. Future studies could expand the scope to include MSMEs in other regions or sectors to compare the role of knowledge sharing and competence in different cultural and economic contexts. Quantitative research may also be used to statistically validate the relationships between variables and explore the impact of other influencing factors such as innovation climate or entrepreneurial orientation.

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