Influence *Green Corporate Strategy* and *Cross Sector Collaboration* Towards Improving the Performance of MSMEs in Lagoa Subdistrict

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Abstract. The purpose of this study is to investigate how green corporate strategy and cross sector collaboration might enhance the performance of MSMEs in Lagoa Utara Village, North Jakarta. MSMEs must develop strong synergies with a variety of actors in their business strategies, such as the government, private sector, academia, and communities, in order to meet the difficulties of economic upheaval and urban market dynamics. 90 MSMEs from a variety of business sectors participated in a survey as part of the quantitative research approach. Data was gathered using structured questionnaires, and multiple linear regression models were employed for analysis. The study's findings show that while cross-sector collaboration has a significant impact on MSME performance, green corporate strategy has a partial lack of significant influence. Additionally, both cross-sector collaboration and green corporate strategy have a positive and significant impact on improving MSME performance in North Jakarta's Lagoa subdistrict. The findings of this study have significant ramifications for the creation of cooperation-based policies that encourage the expansion of MSMEs in metropolitan regions like North Jakarta's Lagoa Utara subdistrict.

Keywords: *Cross-Sector Cooperation, Green Corporate Strategy, And MSME Performance.*

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are crucial to the Indonesian economy as they serve as the backbone of local and national economic growth. MSMEs play a significant role in enhancing local economic independence, creating jobs, and increasing community incomes in urban areas such as Lagoa District, North Jakarta. However, MSMEs face significant obstacles to surviving and growing sustainably in the era of disruption (Suryadarma & Prasetyo, 2023), characterized by advances in digital technology, shifts in consumer behavior, and increasingly complex market competition (Asrul et al., 2021). (He et al., 2023)

Green corporate strategy is a comprehensive method for integrating environmental sustainability into the core business plans of MSMEs. A recent study by Danelico and Vocalelli (2017) found that implementing green strategies increases MSME competitiveness, opens new markets, and improves operational efficiency.

A company's strategic plan that combines market-industry, resource-based,

and institution-based sustainability views is known as a "*green corporate strategy*". To achieve sustainable long-term success, this strategy helps businesses adapt to the limitations imposed by economic, social and environmental systems (Lloret, 2016).

The low competitiveness of several MSMEs in Lagoa District, North Jakarta, which still face challenges related to capital, market access, and inadequate management capacity, prompted this study. Therefore, a strategy involving targeted ecosystem management and cross-sector collaboration is needed to overcome these obstacles. With the aim of providing strategic advice to regional stakeholders, this study seeks to empirically examine how cross-sectoral collaboration and green *corporate strategy can* improve the performance of MSMEs.

With innovation and internationalization acting as mediators, this study (Tajvarpour & Pujari, 2022) investigates the relationship between network collaboration including green *corporate strategy and* financial performance of MSMEs. Findings indicate that MSME competitiveness increases through collaboration with the government,

academia, and industry (Prasannath et al., 2024). Through collaboration with the private sector and non-governmental organizations, this study examines how government financial and non-financial policies influence MSME entrepreneurial orientation and performance. Assistance such as market access and training is crucial (Guimarães et al., 2021). This systematic review found collaboration across *sector collaboration* that facilitate the internationalization of MSMEs, such as university-MSME relationships. Case studies from Asia and Europe demonstrate how governments act as facilitators.

It is hoped that by looking at these two strategic factors, this study will add to knowledge and offer evidence-based policy suggestions to empower MSMEs in urban areas.

To achieve common goals that cannot be achieved optimally if done independently,*cross-sector cooperation* is a collaborative process involving various sectors or actors from various backgrounds, including government, the private sector, academics, civil society organizations, and communities (Kasumaningrum et al., 2024). In addition,*cross sector collaboration* is a group effort involving collaboration between public, corporate, and/or nonprofit actors to address complex challenges and develop social innovation. (Mayr, 2022)

According to Luu's research on MSMEs in Southeast Asia, experts define microenterprise performance as "the ability to maintain operations, achieve financial viability, and adapt to market changes despite resource constraints. This is measured through survival rates, revenue growth, and employment stability (Barbosa et al., 2020)." Several indicators, including revenue growth, profit growth, number of customers, operational efficiency, competitiveness, product innovation, and the capacity to survive and thrive in a dynamic business environment, are used to measure how well MSMEs are achieving their goals (Shakina et al., 2021).

METHOD

The population of this study consisted of all Micro, Small, and Medium Enterprises (MSMEs) operating in the Lagoa Utara District, North Jakarta, registered or identified by the local MSME association and sub-district officials. These MSMEs included businesses in the culinary, retail, service, and craft sectors.

The sampling technique was used because of the relatively large population and to increase the efficiency of the research; in this case, the researcher used a purposive sampling approach, where respondents were selected based on certain criteria, including business scale (micro and small), length of operation (minimum two years), and participation in the business ecosystem and activities. *Cross sector collaboration* or partnership programs. Based on these considerations, a sample size of 90 MSMEs was determined, deemed representative of the general population characteristics. The sample for this study was determined using the Slovin formula (Nurkholis et al., 2024) with a margin of error of 10.

Given the socio-economic background of a metropolitan location such as Lagoa Village in North Jakarta, it is hoped that this sample will provide a valid and reliable picture when examining the impact of variables.*cross sector collaboration* and *green corporate strategy* on the performance of MSMEs.

When researchers want to test the extent to which independent variables, either partially or simultaneously, can influence a dependent variable, they use multiple linear regression, which is a statistical analysis technique that measures and tests the impact of two or more independent variables on one dependent variable with the assumption that the relationship between these variables is linear (Swearingen, 2014).

RESULTS AND DISCUSSION

In this study, validity tests were conducted to ensure that each measurement instrument used was truly capable of representing the construct of the variables being studied, namely green *corporate strategy* (X1), *cross-sector cooperation*(X2), and MSME performance (Y). The validity test used a two-sided correlation analysis at a significance level of α = 0.05, with an r-table value of 0.205 as the minimum limit for item validity. The test results showed that all items used met the validity criteria, namely 12 items in the variable green *corporate strategy*, 12 items on *cross-sector cooperation*, and 12 items in the MSME performance variable had a calculated r-value greater than the table r-value (calculated r-value > 0.218). This confirms that all items in the research instrument have been proven empirically valid and are able to measure each construct accurately.

Thus, the instrument used can be relied upon as a representative measuring tool in exploring respondents' perceptions of dynamics. *Green corporate strategy, cross-sector collaboration* and its impact on improving MSME performance.

The purpose of testing the reliability of this research instrument is to ensure that each item used to measure the variable green *corporate strategy* (X_1), *cross-sector cooperation* (X_2), and MSME performance (Y) has strong internal consistency. The results of the reliability analysis show that all variables meet the reliability criteria very well; the variable *green corporate strategy* recorded a calculated r value of 0.715, far exceeding the r table threshold of 0.60; the variable-cross-sector cooperation *recorded* a calculated r value of 0.766, and the performance of MSMEs each obtained an r value of 0.701, which indicates a very high level of reliability.

These findings indicate that the research instrument used is not only valid in content but also consistent in measuring the construct over time, which means that the data generated by this instrument is reliable and can serve as a strong

foundation for drawing accurate conclusions in further analysis.

Table 1 provides an explanation of the results of the multiple regression analysis calculations carried out using SPSS software.

Based on the results presented in Table 1, the complete multiple linear regression model equation can be constructed as follows: $Y = 24.486 + 0.144X_1 + 0.339X_2$. This equation shows that the performance of MSMEs (Y) is statistically positively influenced by green *corporate strategy* (X_1) And *cross-sector collaboration* (X_2). The constant value of 24.486 illustrates that if both independent variables are at zero, then the performance of MSMEs remains at the base value of 24.486. The regression coefficient of 0.144 on X1 indicates that every one unit increase in *corporate strategy will* increase MSME performance by 0.144 units, assuming other variables remain constant. Similarly, the coefficient of 0.339 on X2 indicates that every one unit increase in *cross-sector collaboration* Cross-sector collaboration will drive an increase in MSME performance by 0.339 units. This equation not only reflects the mathematical relationship between variables but also provides empirical evidence that *green corporate strategy* and *cross-sector collaboration* is a strategic factor that can significantly encourage the growth and competitiveness of MSMEs.

This test aims to determine the extent to which the independent green variable *green corporate strategy* and *cross-sector collaboration* impact on the dependent variable, namely the performance of MSMEs. The significance of the influence of the independent variable is determined by the t-test and probability value (significance); if the t-value is less than 0.05, the independent variable is considered to have a significant influence on the dependent variable; if it is greater than 0.05, no significant influence is found; if the calculated t-value is greater than the table t-value, the influence is considered significant; otherwise, the influence is

considered insignificant. This method ensures the validity of conclusions about the relationship between variables.

Hypothesis Testing 1.

The aim of this study is to test the hypothesis of the existence of a partial influence *green corporate strategy* on the performance of MSMEs, with the null hypothesis (H0) stating there is no influence and the alternative hypothesis (H1) stating there is an influence. The formula $t(\alpha/2; n - k - 1)$ is used to determine the t-table value, which produces a t-value of 1.991 with α 0.05, 90 respondents, and two independent variables (k).

Green corporate strategy partially does not have a significant effect on MSME performance, based on the calculation results. The calculation results also show that *green corporate strategy* has not played a significant role in driving increased performance of MSMEs. The t-value for the variable green *corporate strategy* (X_1) is 1.078, smaller than the t-table (1.991), and the significance value is 0.284, greater than 0.05.

Hypothesis Testing 2.

In this study, a hypothesis test was conducted to determine the partial effect of cross-sector collaboration on MSME performance. The null hypothesis (H0) states there is no effect, while the alternative hypothesis (H1) states there is an effect. The t-table value is determined using the formula $t(\alpha/2; n - k - 1)$, where $\alpha = 0.05$, the number of respondents (n) = 90, and the number of independent variables (k) = 2, resulting in a t-table value of 1.991. The results of the analysis show that the calculated t-value for the cross-sector collaboration variable (X2) is 2.705, greater than the t-table value (1.991), and has a significance level of 0.008 which is smaller than 0.05. Thus, H0 is rejected and H1 is accepted, meaning that cross-sector collaboration has a partial significant effect on MSME performance. These findings

confirm that cross-sector collaboration provides optimization in strengthening the competitiveness of MSMEs, through synergy between business actors, government agencies, and the private sector that encourages sustainable improvements in business capacity and performance.

Third Hypothesis Testing:

The F-test, also known as the simultaneity test, is used in this study to assess the extent to which the independent variables—green corporate strategy and cross-sector collaboration—jointly influence the dependent variable, MSME performance. This test is based on two criteria: if the significance value (sig) is less than 0.05 or the calculated F is greater than the F-table, then there is a significant simultaneous influence; if sig is greater than 0.05 or the calculated F is less than the F-table, then there is no simultaneous influence. The hypothesis tested is that there is no simultaneous influence, and there is a simultaneous influence between the two independent variables on MSME performance.

The calculation results show a calculated F value of 11,760, far exceeding the F table with a significance level of 0.000, which is much smaller than 0.05. Based on these results, H0 is rejected and H1 is accepted, which indicates that green *corporate strategy and* cross-sector collaboration simultaneously have a positive and significant impact on improving MSME performance. This finding provides strong evidence that the combination of synergies in green *corporate strategy* and *cross sector collaboration* is an important foundation in strengthening the competitiveness and sustainability of MSMEs in an era of dynamic competition. The F table value is calculated using the formula F(k; n - k), resulting in an F table of 3.15.

In this analysis, the coefficient of determination is calculated by squaring the correlation coefficient value, which is then interpreted as the percentage contribution of the two independent variables to

improving MSME performance. The higher the coefficient of determination value obtained, the greater the proportion of influence of the two independent variables in explaining changes in overall MSME performance. In other words, this test provides a general overview of the extent to which green *corporate strategy* and *cross sector collaboration* able to significantly shape and encourage the progress of micro, small and medium enterprises in facing the ever-changing business environment.

Based on the results presented in Table 3, the R Square value is 0.213, indicating that the variable green *corporate strategy* (X_1) And *cross sector collaboration* (X_2) together are able to explain 21.3% of the variation in MSME performance (Y). This means that the dynamics of increasing MSME performance can be explained by the strength of green *corporate strategy* and *cross sector collaboration* Meanwhile, the remaining 78.7% is influenced by other factors outside this research model, which can include aspects such as product innovation, access to financing, digitalization, or human resource capacity. The correlation coefficient (R) value of 0.461 indicates a positive and moderate relationship between the two independent variables and MSME performance, as it is in the range of 0.40–0.599. This finding provides a convincing picture that the success of MSMEs is inseparable from efforts to build green *corporate strategy well* and establish strategic partnerships *sector collaboration*. sustainable.

DISCUSSION

Based on the test results, the variables green *corporate strategy*(X1) has no effect on the MSME performance variable (Y) in Lagoa Subdistrict, North Jakarta. The calculation results show a significance value of 0.284, greater than 0.05, and the t-value for the variable green *corporate strategy*(X1) is 1.078, smaller than the t-table value (1.991).

Based on the research results, the variable cross sector collaboration (X2) has

a partial influence on the performance of MSMEs in Lagoa Village, North Jakarta. The results of the analysis show that the t-value of the cross-sector collaboration variable (X2) is 2.705, higher than the t-table value (1.991), and the significance level is 0.008, which is smaller than 0.05.

In addition, the F distribution table explains that the variable green *corporate strategy* (X_1) And *cross sector collaboration* (X_2) simultaneously have a positive and significant influence on the MSME performance variable (Y) in Lagoa Village, North Jakarta. The calculated F value is 11,760, which is significantly higher than the F table (3.15), with a significance level of 0.000, which is much smaller than 0.05. Several studies support this discussion: (Belitski & Rejeb, 2022) examined how MSMEs use green *corporate strategy for* business growth; (Tinits et al., 2025) explains the role of digital capabilities as a mediator in the relationship between *green corporate strategy* and internationalization of MSMEs; (Khazaee-Pool et al., 2023).

CONCLUSION

In general, the research results can be explained that green *corporate strategy partially* does not have an effect on improving the performance of MSMEs, *cross sector collaboration* partially influences the improvement of MSME performance, and green *corporate strategy* and *cross sector collaboration collectively* influence the improvement of MSME performance in Lagoa Subdistrict, North Jakarta. This indicates that the implementation efforts *green corporate strategy* not running optimally or not strong enough to directly drive performance improvements. Meanwhile, the variable cross-sector *collaboration has* been shown to have a significant impact on MSME performance, meaning that collaboration between the public sector plays a role in improving MSME performance. However, some private sectors, academics, and local communities have not yet had a positive

impact on improving MSME competitiveness, access to resources, and innovation. Furthermore, when analyzed simultaneously, *green corporate strategy* and *cross sector collaboration together* have a significant influence on improving the performance of MSMEs. This finding confirms that although *green corporate strategy* has not yet had a strong impact, its existence remains important as a supporting element in strengthening effectiveness across *sector collaboration*, so that collectively it can encourage better performance of MSMEs in the Lagoa Subdistrict area, North Jakarta.

SUGGESTION

Enhancing collaborative roles: *cross sector collaboration needs* to be more methodical and results-oriented, and local governments should promote the active involvement of the private sector, academia, and the community in supporting MSMEs, especially through training programs, business incubation, and increasing access to financing.

A shift from simply building partnerships to fostering meaningful and beneficial collaboration is necessary to improve the quality of collaboration. Examples include supply chain integration, digital collaboration through shared platforms, and joint product creation projects.

Assessment of effectiveness of cross *sector collaboration requires* a methodical evaluation framework, which involves calculating the concrete contributions made by each party to improving MSMEs' access to markets, efficiency, and innovation.

Governments at the village and sub-district levels can implement proactive measures to encourage cross-sector synergy, including cooperative incentive laws or awards for companies and partners in the MSME ecosystem.

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