

# Holistic Learning for Micro, Small and Medium Enterprises (MSMEs) Development Program

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## Article Info

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### Article history:

Received March 2024

Revised March 2024

Accepted March 2024

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### Keywords:

Holistic learning

MSMEs

Development

Human resources

Training

## ABSTRACT

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The focus of training is usually on specific skills that are needed today. Meanwhile, holistic learners tend to aim to achieve the highest level of knowledge awareness and appreciate the benefits it provides for their lives [1]. A holistic learning process is needed to identify all components that influence student development. Small and medium enterprises (MSMEs) are the subject of holistic learning because they have an economic potential that is of concern to always develop. The research approach is carried out through literature mapping, focusing on visual synthesis of the data collected and is an observation based on questions. Learning involves the learning model that best suits students, which focuses on learning through experience captured by kinesthetic memory. Holistic does not only focus on technical skills but also pays attention to internal motivation for achieving these skills. The existence of interaction not only increases the accumulation of knowledge but also a sense of mutual belonging to bear the same burden in successful learning. The next aspect is transformation which involves tools and facilities that support the change process, such as the use of information systems that facilitate collaboration and data analysis for learning evaluation. Holistic learning approach, MSMEs can develop their businesses in a way that is not only financially profitable, but also socially, environmentally and economically sustainable.

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## 1. INTRODUCTION

Training and Education generally focuses on the specific skills needed today. Specialization in a field is considered to provide more value in the level and quality of expertise. This view places emphasis on physical skills that do not explore meaning, synergy and sustainability with other skills and the external environment. Holistic learners tend to aim to achieve the highest level of knowledge awareness and appreciate the benefits it brings to their lives [1]. According to Piskur et al [2], holistic education directs all relevant educational components to move from a concept to a reality.

Learning with a holistic approach supports the development of human resources that are more dynamic, comprehensive, and less materialistic as a guide [3]. Holistic shows that the development of individuals and social groups does not only prioritize competitive advantage, but involves the interaction of all aspects of the internal and external environment. In the internal environment, individuals and social groups not only pay attention to technical skills, but also how to maintain harmony, emotional relationships, and the meaning of every action. Its connection to the environment involves positive interactions with other parties, harmony and sustainability.

Therefore, a holistic learning process needs to identify all components that influence student development. Small and medium-sized businesses (MSMEs) represent economic potential that is of concern to always develop. MSME development has been carried out through incubation programs, training, workshops, seminars, mentoring and partnerships. The Indonesian Venture Capital Association assesses that MSMEs experience a mortality rate of 90% where businesses do not survive for five years. This shows that the development of MSMEs is weak in introducing and training business actors to identify and adapt for sustainability. A holistic approach to developing MSMEs provides a broader

perspective on the roles and targets in carrying out business activities, not only focused on one point of accelerating growth but also in harmony with other factors.

Research on holistic learning using a learning model is still rare, especially regarding the development of MSMEs. The aim of this study is to review published articles relating to how holistic learning is implemented to develop the development of MSMEs. The results of the review will expand the implementation of holistic learning from existing studies to be interpreted into MSME development programs.

## 2. LITERATURE REVIEW

### 2.1 *Holistic Learning*

A holistic approach encourages learning participants to become independent, confident and critical [1]. Kelly's Personal Construct Theory (PCT) explains a holistic approach encouraging students' development as critical thinkers as an idea in social exchange theory [4]. Learning is a continuous process that involves all internal and external aspects of students. The process is carried out with a system of interaction between all aspects of holistic learning. This integrity shows that education requires a holistic approach that does not ignore key aspects of human experience [5]. Learning about student achievement reaches the conclusion that students have more enthusiasm for learning when they feel connected to the teacher and their environment [1]. Individuals increase effort and performance when they have positive interactions. The relationship between student persistence in performance and teacher presence is also mediated by students' sense of belonging created by class comfort and faculty support.

Within each learning objective, there are many different methods that can be used. According to Tolsby [6], the learning process in an organization needs to balance the concepts of structure and affection. The structure is guided by goals, procedures, methods, time schedules, and resource limitations. Affection is guided by personal preferences and desires. This thinking shows

that learning not only includes intelligence but also internal motivation which involves the current state of the learning process and implementing learning outcomes. This moment is the emotional side that will influence learning outcomes. Cognitive processes develop patterns of recognition Illeris, thinking, reasoning, and remembering Ford through the transformation of experience [7]. Illeris also states that recognition patterns are developed in the same way as affective patterns through cognitive processes. Thus, cognition and affectivity have an influence on the learning process and there is an interaction between the two that synergizes their roles.

### **2.2 Holistic Learning Design**

Yang [8] stated that holistic learning is a concept of knowledge that is formed through interactions between explicit, implicit and emancipatory knowledge. These three knowledge interactions involve nine aspects; participation, conceptualization, contextualization, systemization, validation, legitimacy, transformation, interpretation, and materialization. Participation shows the existence of a learning process that applies the results of training into implicit knowledge formed from experience. Conceptualization forms explicit knowledge from a definition into a more structured concept. Contextualization is the process of using concepts, models, formulas to be applied in a certain context. Systematization is combining several knowledge through logic and causal relationships into a consistent format. Validation is a process of testing the value and usefulness of knowledge. Legitimacy provides justification and a foundation that supports explicit knowledge. Transformation aims to change old knowledge into a new meaning. Materialization forms knowledge into real action that produces better quality. This theory emphasizes that holistic learning involves specific knowledge that has a direct influence on technical performance by involving strategies and techniques, general knowledge regarding broad understanding and relationships, as well as critical

knowledge to always question the current system.

Learning with a holistic approach uses nine aspects oriented towards internal development to produce quality outcomes. The holistic approach developed by [1] involves an external perspective on how facilitators can provide a supportive environment for learning. This model links student persistence with the teacher's cognitive presence, and the participant's sense of belonging results from class comfort and teacher support. The teacher's cognitive presence is described as the ability to stimulate learning activities, exploration, integration and resolution. The participants' persistence shows high motivation in carrying out learning activities even when experiencing difficulties. The participant's sense of ownership is the participant's attitude towards the institution and the teacher who bears full responsibility and obligation for the learning process and results, which arises from comfort in the classroom and support from the teacher. Positive interactions between participants and teachers provide participants with greater engagement with learning activities and higher learning success. This engagement increases participants' persistence by going the extra mile and enjoying the challenge of complex tasks. Likewise for teachers, positive interactions show that teachers are exploring learning techniques that suit the characteristics of the participants, because these interactions make the teachers know the participants and their needs better.

The learning process in MSMEs involves the entire environment that intersects with business activities. Learning does not only discuss how to gain knowledge and practice skills, but is continuous learning to understand the role and goals of MSMEs as a whole. Chang and Guefl stated the importance of improving the learning environment through an ecological and holistic approach. The learning ecosystem identifies the main learning areas, namely relationships and interactions related to information flow, as well as transformation

and transfer of knowledge. Job roles, work processes, and work environments are mutually integrated entities that do not function separately [9]. In MSMEs the learning ecosystem is identified into the following three parts; learning community, learning tools and facilities, and supportive learning conditions. Learning communities describe learning methods and materials that are appropriate and easily accessible. The availability of learning tools and facilities is the presence of relevant media in the learning process, as well as collaboration that improves the learning experience. Supportive learning conditions represent internal and external stimulation, which builds potential impact by providing challenges, rewards, and learning goals.

Nisula [10] put forward the concept of holistic learning from the perspective of a business learning environment, which can be constructed using a combination of PE (Practice Enterprise) models, business simulations, and ERP (Enterprise Resource Planning) systems. This construction is in line with the CSCL principles proposed by [11] which acts as a temporary learning structure, enhancing and supporting students' learning experiences, as well as an object or mediation tool between teachers and students. The PE model designs learning by considering students as apprentices in a real organizational environment. Business Simulation provides a learning community where mentor teams and apprentice teams are formed to coordinate as a Business ecosystem. The ERP system is applied as a supporting tool to facilitate and make the learning process efficient and effective. An information system that provides a forum for learning, assessment, evaluation and reporting.

### 3. METHODS

The research approach was carried out through literature mapping. In this method, trends that appear across published articles are explained. The initial stage of preparing a concept or framework for research regarding what variables will be studied. Then collect data from literature that

is relevant to the research topic. Before extracting data, researchers will first sort primary and secondary data.

Review mapping focuses on visual synthesis of the collected data and is an observation based on questions. The use of this method was chosen because it aims to review research that discusses MSME development and its relationship to holistic learning theories and approaches. With this method, researchers aim to identify the possibility of emerging models that are commonly used and provide benefits in improving quality in the development of MSMEs. Identification that can provide an overview of the similarities in patterns that emerge, differences, or aspects that are not yet contained in the research articles.

### 4. RESULTS AND DISCUSSION

Holistic learning is not a short-term learning method. Holistic etymologically explains that the parts of something are interconnected and can only be explained by referring to the whole. In various studies, researchers have limitations in determining a holistic scope, so they narrow it down to certain themes. In the end, developing holistic learning needs to be reorganized from basic abilities to the level of awareness. Dughi et al. [1] view holistic learners as tending to have the goal of achieving the highest level of knowledge awareness and appreciating all the benefits it provides for their lives. At the level of awareness, individuals already understand all aspects that influence their activities, and can categorize and simplify the scope of learning according to certain goals.

The categorization of components from previous research (table 1) creates a new perspective in interpreting holistic learning models. The author juxtaposes general learning and also those that specifically discuss business development. The components involved in the models studied are related even though they use different terms and frameworks.

Components that are considered to have similar characteristics are put together to be studied and interpreted from another point

of view. The first thing that is an important highlight is that learning involves the learning model that is most suitable for students. Participants are given technical and practical knowledge as skills that can be applied after learning. This knowledge focuses on learning through experience captured by kinesthetic memory. Kinesthetic memory, according to [12], uses the term similar to implicit knowledge, which is the main or basic basis of life that focuses on holistic, not partial, efforts.

Second, holistic is the whole so that it does not only focus on technical skills but also pays attention to internal motivation for achieving these skills. Internal motivation which refers to the development of goal orientation involves a search for meaning in knowledge and skills [13]. Motivation due to goal orientation encourages learning not because of ego but knowledge, and is ready to put in more effort because you feel the value of knowledge and enjoy the learning process. Holistic learners pay attention to their relationship with the learning object, other parties, and the environment that is also affected by the learning object. Understanding of the structured conceptualization of material starting from the reasons for the importance of the material to the role and impact created by the application of the material. Third, there is interaction as a reciprocal effort for the knowledge possessed. Multi-party participation in real learning communities between learners or with mentors provides the transfer of knowledge and experience in a shorter time. Interaction not only increases the accumulation of knowledge but also a sense of mutual ownership to bear the same burden in successful learning. The quality of interaction makes facilitators, mentors and learners work together to produce sustainable synergy.

Fourth, holistic learning has the hope of change for the better [8]. This transformation involves tools and facilities that support the change process, such as the use of information systems that facilitate collaboration and data analysis for learning evaluation. Learning facilities provide greater

efficiency and effectiveness in transferring knowledge into real action.

#### *MSME Development through a Holistic Approach*

Micro, small and medium enterprises (MSMEs) are organizations driven by an entrepreneurial spirit. Studies on entrepreneurial orientation show that individuals with entrepreneurship are supported by a proactive attitude, dare to take risks, are innovative and aggressive. Thus, MSME players not only need technical learning, but also strengthening entrepreneurial character through learning patterns (figure 1).

A holistic learning approach offers a comprehensive and integrated framework for MSME development. First, developing diverse skills allows MSMEs to benefit from holistic learning by developing a variety of skills needed to run their business. These include management skills, finance, marketing, leadership, and interpersonal skills. In development and training, implementation is adjusted to business needs, namely weaknesses that need to be corrected and strengths that need to be improved. Second, pay attention to the importance of balance because holistic learning teaches the importance of achieving balance between various aspects of life, including work, personal life and well-being. This can help MSME owners to manage stress, maintain their mental and physical health, and avoid burnout that can affect their business performance. Then, through comprehensive education, holistic learning does not only focus on the technical aspects of business, but also includes knowledge about social, environmental and economic aspects. This can help MSME owners understand the impact of their business on society, the environment and the economy as a whole. Understanding environmental impacts in the context of holistic learning is important to understand the environmental impacts of business operations. MSMEs can be taught about environmentally friendly business practices and how to reduce their environmental footprint through more

efficient use of resources and better waste management. Third, understanding market and customer needs in a holistic approach, MSME owners are taught to understand market needs and desires as a whole. This includes understanding market trends, consumer behavior, and how to meet customer needs in a sustainable way. This requires community support that involves interaction between business actors, customers and business actors, as well as mentors and business actors. empowering local communities, namely by encouraging MSMEs to contribute to the development of their local communities. This can include empowering the local workforce,

collaborating with local producers, and supporting social and cultural initiatives in their region.

Fourth, sustainable innovation which encourages MSMEs to adopt innovative and sustainable approaches in running their business. This includes the use of environmentally friendly technologies, the development of more sustainable products and services, and the integration of socially responsible business practices. This integration involves business intelligence, namely an information system ecosystem for collecting, storing and analyzing data related to business decisions.

Table 1. Summary of research reviews

Author, Year	Component	Other related components
Yang, 2003	Explicit (technical) knowledge, implicit (practical) knowledge, emancipatory (critical) knowledge	Participation, systematization, validation, legitimation, transformation, interpretation, materialization, conceptualization
Dughi et al., 2023	The teacher's cognitive presence, the participants' persistence, a sense of comfort	Class comfort, teacher support, learning stimulation, motivation
Chang and Guetl, 2007	Connection ( <i>relations</i> ), transformation ( <i>transformation</i> ), interaction ( <i>interaction</i> )	Knowledge transfer, learning community, learning tools and facilities, supportive learning conditions
Nisula, 2019	Practice enterprise model, learning community, learning environment	Feel ( <i>sensing</i> ), catch ( <i>seizing</i> ), transform ( <i>transforming</i> ), mentor, business simulation, information systems

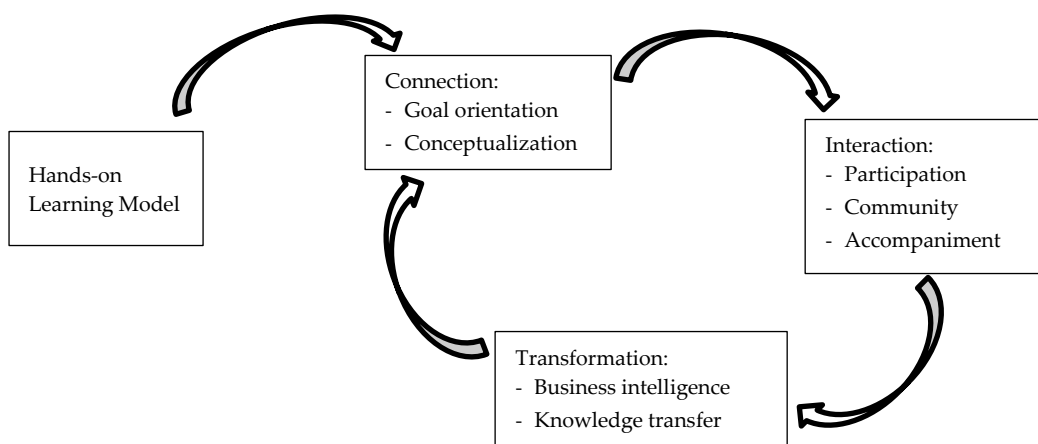


Figure 1. Holistic learning patterns (processed by the author)

## 5. CONCLUSION

Holistic learning is essential for the development of Micro, Small, and Medium Enterprises (MSMEs) as it focuses on not only technical skills but also internal motivation and transformational tools and facilities. Holistic learning involves a learning model that is most suitable for students, emphasizing learning through experience captured by kinesthetic memory. It aims to achieve the highest level of knowledge awareness and appreciate the benefits it brings to individuals' lives. The implementation of holistic learning in MSME development programs requires reorganizing from basic abilities to the level of awareness and interpreting components from a holistic perspective. Interaction plays a crucial role in holistic learning, as it facilitates the transfer of knowledge and experience in a shorter time and fosters a sense of mutual ownership and collaboration among learners, mentors, and facilitators.

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