

## Influence of HRM Factors on CWS Success in Foreign Countries

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### ABSTRACT

This study aims to analyze the development, benefits, and implications of coworking spaces (CWS) as a flexible and collaborative modern work solution, as well as the factors influencing their success in various countries. Changes in the global economic system, driven by advancements in information and communication technology, have transformed work methods and increased the number of self-employed and freelancers. In response to this need, CWS have emerged as a solution providing flexibility, collaboration, and productivity support. CWS offer shared work environments for various professionals, including creative economy players, SMEs, freelancers, employees, executives, and students. This research employs qualitative and quantitative methods through a literature review involving sources from different countries. The growth of CWS in various cities worldwide brings legal implications requiring special regulations due to their distinct characteristics and usage purposes compared to traditional offices. Additionally, perspectives from human resource management, marketing, entrepreneurship, and legislation provide various recommendations for the future development of CWS, encompassing community, motivation, and collaboration. Overall, coworking spaces offer an innovative solution for modern work needs, support the development of the creative economy, and require specific attention in regulation and management to ensure their sustainability and growth.

Keywords: COW, Human Resources, Foreign Countries



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## INTRODUCTION

The changes in the economic system undoubtedly bring changes to the working system within it. The presence of information and communication technology allows for more flexibility in doing work, so many creative workers prefer to work independently. The place to conduct economic activities becomes a consideration to ensure smooth operation. Offices with cubicles and closed rooms, as well as rigid space layout and organization, have seemingly become the standard in professional environments for several decades. In recent years, some companies have started adopting more open work environments. This new and more open environment offers options for more casual attire, flexible work schedules, and flexible work locations. The faster pace of

technological development has also led to the emergence of many young entrepreneurs based on technology as a platform to showcase their products. There are many young generation online-based entrepreneurs (startups) involved in this. According to Nurhanisah (2024) as reported by Indonesiabaik.id, Indonesia is one of the countries with the most startups in the world in early 2024. As of January 11, 2024 there were 2,562 startups in Indonesia. The number is the number one in Southeast Asia, 2nd on an Asian scale, and 6th globally. As the name suggests, a co-working space or collaborative workspace is a space for working together without being limited by the background of the field of work.

The thin boundary between workspace, social space, and home is a theme developed by many companies in creating a work environment that encourages their employees to develop creativity and innovation. This change in the work environment has led to the emergence of Co-Working Spaces. Brad Neuberg, the pioneer of coworking spaces, started the first coworking space in 2005 in San Francisco. Coworking spaces aim to provide a physical space where independent workers and mobile workers can gather. Neuberg initiated this space because he wanted to work alone but within a community (Asyhar & Yunianto, 2019) The coworking trend began to emerge over a decade ago. The crisis in 2008 led people to leave their jobs and choose, or were forced to choose, to start their own businesses or work as freelancers (Noviani & Udasmoro, 2021).

In recent years, the emergence of Co-Working Spaces (CWS) as a modern working solution has become a global phenomenon that has attracted the attention of many parties. CWS offers a flexible and collaborative working environment, which not only accommodates the needs of freelancers and start-ups, but also large companies looking for alternatives to traditional office models. MSDM has an important role in creating a productive and harmonious working environment. MSDM factors such as recruitment, training and development, performance management, and employee well-being, directly affect the performance and satisfaction of CWS users. This is based on CWS's rapid growth and the need to understand the factors that support its success. Although much research has been done on CWS from a space management and technology perspective.

Previous research conducted by Girija, *et al* (2023) explains that this study highlights several factors and their relative importance, which can help companies/organizations to start or offer co-working spaces in developing countries. Therefore, it is important to conduct research related to the influence of human resource management factors on the success of co-working spaces.

## **METHODS**

The method used in this research is qualitative and quantitative, conducting a literature review by collecting relevant literature. This includes literature related to Co-Working Spaces in various countries, sourced from books, reports, and journals both offline in libraries and online from sources such as Google Scholar and other online media (Fernanda & Frinaldi, 2023).

This research will use a population of data listed in the scientific literature related to previous research on the influence of MSDM Factors on COW Success. By gathering relevant literature, this research can be considered exploratory.

From the results of the search, the researchers read the title and abstract of the study to see if the article meets the criteria to be studied. The criteria used are: (1) research articles covering COWs from 2015 to 2022; (2) articles discussing the influence of MSDM Factors on COW success; (3) articles containing research results reports (original articles); 4) articles written in English or Indonesian language. The researchers obtained 11 relevant publications... from which the researchers drew conclusions about the factors of MSDM that influenced the success of COW.

## RESULTS AND DISCUSSION

Co-Working Space (CWS) is a shared workspace used by various professional workers, predominantly freelancers, operating at various levels of specialization across a broad range of knowledge industries. According to Coworking Wiki, a coworking community, coworking space is where independent professionals and those with flexibility work together (Asmarany, 2019). Coworking Space itself, based on the Oxford dictionary, is a workspace or office used by individuals working independently or for different companies (Prasetya, 2018). Coworking space is a collaborative workspace where individuals from different backgrounds in work/business can collaborate or work together. It is also a shared workspace used by various professional knowledge types, mostly freelancers, operating at various levels of specialization in a wide domain of knowledge industries (Yati, 2023).

Currently, Co-Working users include: (1) Creative Economy Players & SMEs (Small & Medium Enterprises), as a choice for capacity development. (2) Freelancers, who find coworking spaces affordable with all facilities met, along with a conducive work environment. (3) Employees & Executives, using Co-working Spaces as a means for employees and executives to meet each other, and (4) Students. Students use coworking spaces as places to gather and create collaborations (Sukmanindya, Florentina, & Tantiana, 2020).

According to the Global Coworking Survey, there were 7,800 coworking spaces worldwide in 2015 compared to 310 in 2009. These numbers are spread across various countries on five continents. From North America, Europe to Asia in countries like Singapore and Hong Kong, and even to South Africa. In development, Co-Working Spaces continue to grow sustainably (Nisrina & Handoyo, 2021).

This surge in numbers is remarkable. Several factors contribute to this, such as the added value of Co-Working Spaces. These advantages include: (1) Enhancing Creative Activities which automatically affects productivity. This is beneficial for office workers who may experience boredom or burnout. (2) Enriching Knowledge Sharing with a diverse range of people from different backgrounds, and (3) Opening opportunities to establish flexible workspace franchises (Sia, Sitindjak, Irianto, Frans, & Melinda, 2019).

Co-Working Spaces evoke various perspectives globally. The Kamus Besar Bahasa Indonesia defines perspective as a way of depicting an object on a flat surface as seen by the eye in three dimensions (length, width, and height) or viewpoint; a view (Online, 2024). The definition of perspective is the context of systems and perception is how an object appears to the human eye based on its spatial nature or dimensions and the relative position of the eye to the object. Another definition mentions that perspective is the basic assumptions that contribute the most to social psychology approaches (Kartika, 2016).

The perspective of Co-Working Space with locations abroad or in cities is evident in various literature tables as follows.

**Table 1. Various Literature**

No	Author (Years)	Title (Country/ City)	Literature	Perspektif
1.	Ignasi Capdevila (2015)	<i>Co-Working Spaces And The Localised Dynamics Of Innovation In Barcelona (Barcelona)</i>	International Journal of Innovation Management	Co-Working Space (CWS) reveals various dynamics of innovation involving individuals within the community and local actors (companies, citizens, and government agencies). CWS acts as an intermediary between

					creative individuals and innovative companies.
2.	Anita Fuzi (2015)	<i>Co-working spaces for promoting entrepreneurship in sparse regions: the case of South Wales (South Wales)</i>	Regional Studies, Regional Science		CWS provides support (moral, emotional, professional, financial) and facilities that broaden the horizons of entrepreneurs to start and develop their businesses.
3.	Ilaria Mariotti, Carolina Pacchi & Stefano Di Vita (2017)	<i>Coworking Spaces in Milan: Location Patterns and Urban Effects (Milan)</i>	Journal of Urban Technology		CWS is akin to the service industry in urban areas, and it is close to the "creative cluster." CWS becomes an innovative workspace where knowledge, creativity, and digital primarily freelancers/professional entrepreneurs share their workspace and rent a desk for a specific period in return.
4.	Ziming Zhao, Jialin Wang, Siyuan Hou (2018)	<i>Research on the Influencing Factors of Co-working Space Development --A Case Study of Lvliang, Shanxi Province (Shanxi)</i>	2nd International Conference on Social Sciences, Arts and Humanities (SSAH)_		<p>□ CWS fits into the vision of society and gradually gives rise to a large number of small companies. However, in Shanxi, it is under significant pressure to survive.</p> <p>□ Entrepreneurs believe CWS can enjoy preferential policies such as extremely low-cost settlements and rent reductions. There are free facilities, office furniture; free water and electricity, WIFI, free parking, free libraries, gyms; free conference rooms; enjoy space to subsidize food, every meal supporting specific projects.</p>
5.	Stefania Fiorentino (2019)	<i>Different typologies of 'co-working spaces' and the contemporary dynamics of local economic development in Rome (Roma)</i>	European Planning Studies		CWS acts as a 'social incubator' with a role in education and closer relationships with local authorities. CWS can provide economic and technical support to potential entrepreneurs. CWS provides economic and technical support to potential entrepreneurs. It's a 'real estate incubator' that is mostly a commercial product.
6.	Elissa Dwi Lestari (2019)	<i>The Co-working Space as a Business with Higher</i>	International Journal of Innovation,		CWS hosts and manages its business consciously to ensure community members, as

		<i>Purposes (Case Study of Co-working Spaces in Jakarta)</i> <b>(Jakarta)</b>	Creativity and Change	stakeholders, get the necessary resources to sustain their businesses. The development of CWS as a shared workspace is rapidly growing worldwide, including in Indonesia. It offers more than just a business solution for affordable office space. CWS offers added value for creators and community activists.
7.	Drestanti Inggar Kartika, Purwanita Setijanti, Dewi Septanti (2019)	<i>Co - Working Space Design Preferences Factors at Surabaya</i> <b>(Surabaya)</b>	International Journal of Engineering Research and Advanced Technology (IJERAT)	Factors influencing CWS user preferences in Surabaya include demographic factors (age, gender), physiographic (motivation), psychographic (profession, income, and domicile). The research also shows that creative industry players as CWS users in Surabaya have the same design preferences, namely using Scandinavian minimalist design co-working spaces and the second most significant choice is industrial design style.
8.	Dianovita, Khoirunurrofik (2020)	<i>The Distribution Pattern of Co-working Space in Jakarta and Determinant Factors of Consumers' Preferences on Location Decision</i> <b>(Jakarta)</b>	IOP Conference Series: Earth and Environmental Science	The distribution pattern of CWS in Jakarta is clustered. The most densely populated locations are in the central office, trade, and service areas. The factors influencing consumer preferences in choosing CWS are location and rates. There is a strong correlation between frequently visited CWS locations and the choice of transportation type. CWS with limited parking tends to set lower rates, and its users tend to use public transportation.
9.	Cita Yustisia Serfiyani (2020)	Implikasi Hukum Perbandingan Konsep Co Working Space Dengan Perkantoran Dan Perindustrian Bagi Pelaku Usaha Rintisan Di Indonesia <b>(Indonesia)</b>	PERSPEKTI -Kajian Masalah Hukum dan Pembangunan	The comparison of CWS concepts with office and industrial concepts can be characterized by CWS' characteristics and the legal implications that occur, thus requiring specific regulations to be prioritized.

10	Noorika Retno Widuri, Maman Setiawan (2021)	<i>Business Plan Co-Working Space Berbasis Layanan Informasi Ilmiah: Studi Pada Perpustakaan PDDI LIPI Kawasan Jakarta (Jakarta)</i>	Shaut Al-Maktabah : Jurnal Perpustakaan , Arsip dan Dokumentas	CWS, as part of a library, has the potential to support the literacy rate of the community. Business CWS is not limited to workspace and facilities alone but is also supported by access to scientific information to support their tasks and jobs. CWS can generate non-tax state revenue. The concept of CWS, which is part of a library, allows for advantages over commercial CWS, as there is budgetary assurance from the state, even allowing for innovative services provided at CWS as a promotional strategy
11.	Weiwu Wang, , Jingyi Liang and Jie Niu (2022)	<i>Site Selection of Co-Working Spaces under the Influence of Multiple Factors: A Case Study in Hangzhou, China (Hangzhou)</i>	Sustainability	CWS in Hangzhou generally has a multi-center distribution pattern. The factor with the most significant impact on CWS location is the regional innovation environment, followed by quality of life, atmosphere, business, and traffic conditions. Rent costs have the least influence on location selection.

Source: data processed by researchers

Based on various literature used in this research, a total of 11 pieces of literature from 2015 to 2022 were collected. The results from this literature will be discussed separately. Various perspectives emerge from Human Resource Management, Marketing Management, Entrepreneurship, and Legislation. On a micro level, these perspectives include community, motivation, collaboration, creative economy, regional innovation environment, promotion, business location, creator lifestyle, and recommendations for future CWS development.

Overall, the development of CWS has been highly positive in various cities internationally, both in Asia and Europe. CWS has provided extensive space for the development of the creative economy as seen in Barcelona, Spain (Capdevila, 2015). Additionally, CWS has provided insights for entrepreneurs to start and expand businesses in South Wales (Fuzy, 2015). However, this trend doesn't apply uniformly, as in Shanxi province, China, where CWS development is under pressure (Zhao, Wang, & Hou, 2018).

In Rome, Italy, CWS has provided economic and technical support to aspiring entrepreneurs (Fiorentino, 2019) . In Jakarta, Indonesia, CWS has become a place for business management and rapid development, offering more than just an affordable office solution but also added value for economic actors (Fiorentino, 2019). The continuous positive trend in CWS businesses requires careful consideration before starting. Many factors need attention in starting a CWS business in various international locations. In Jakarta, Indonesia, factors like location, fees, and transportation are key considerations (Dianovita & Khoirunurrofik, 2020). Meanwhile, in Hangzhou, China, the dominating factors are regional innovation environment, comfort, atmosphere, and traffic conditions (Wang, Liang, & Niu, 2022).

In Surabaya, Indonesia, the factors influencing CWS user preferences are divided into several aspects: demographics (gender), physiography, psychographics (motivation), profession, income,



domicile, and Scandinavian minimalistic design preferences (Dianovita & Khoirunurrofik, 2020). The development of CWS in various international cities has revitalized previously stagnant areas over time, with libraries such as PDDI LIPI in Jakarta, Indonesia, having great potential to become CWS areas due to government funding support (Widuri & Setiawan, 2021).

The development of CWS in various international cities has also brought legal implications regarding office and industrial concepts. CWS differs in terms of building utilization goals, ownership status, legal basis for establishment, and building utilization. These implications call for specific regulations at the national level in the form of laws to address these issues (Serfiyani, 2020).

The advancement of information and communication technology has transformed the global economic landscape and professional work. This change has allowed greater flexibility in work, leading many creative workers to choose independent work (Savitri & Astrid, 2019). Traditional office environments with cubicles and closed spaces, which have been the standard for decades, are being replaced by more open, relaxed, and flexible work environments. This innovation has brought a new trend in the working world, namely co-working spaces (CWS) (Noviani & Udasmoro, 2021).

The spread of CWS across various countries on five continents, including North America, Europe, Asia (Singapore and Hong Kong), and even South Africa, is remarkable. The global economic crisis in 2008 was one of the drivers of this trend, as many people left permanent jobs to start their own businesses or work as freelancers (Tambunan & TH, 2021).

The success of CWS is influenced by various factors such as location, fees, transportation, regional innovation environment, atmosphere, and comfort. For example, in Jakarta, the main considerations for starting a CWS business are location, fees, and transportation. In Hangzhou, China, the dominant factors are the regional innovation environment, comfort, atmosphere, and traffic conditions. In Surabaya, Indonesia, user preferences for CWS are influenced by demographics, physiography, motivation, profession, income, domicile, and Scandinavian minimalist design preferences (Diovitara, 2018).

The development of CWS also brings implications in terms of legal aspects and regulations. CWS has different characteristics from traditional offices regarding building utilization goals, ownership status, legal basis for establishment, and building utilization. Therefore, clear and specific regulations in the form of laws are needed to regulate CWS development (Apriolita & Eka, 2020).

Various perspectives emerge from the literature review, including perspectives from Human Resource Management, Marketing Management, Entrepreneurship, and Legislation. These perspectives cover community, motivation, collaboration, creative economy, regional innovation environment, promotion, business location, and creator lifestyle. Based on the literature reviewed, recommendations for future CWS development include enhancing factors like community, motivation, collaboration, and promotion to support sustainability and growth.

In conclusion, coworking spaces provide innovative solutions for modern work needs, support the development of the creative economy, and require special attention in regulation and management to ensure sustainability and growth. CWS has proven successful in various cities worldwide, but challenges remain, especially in terms of regulation and adaptation to local needs.

## **CONCLUSION**

Changes in the Work Environment: Information and communication technologies have changed the economic system and the way of working. Coworking spaces (CWS) are emerging as a solution for self-employed workers, freelancers, and professionals seeking flexibility and collaboration. Benefits

and Users of Coworking Spaces: CWS provide flexibility, increase productivity, and support collaboration and creativity. CWS users include creative economy players, SMEs, freelancers, employees, executives, and students. Global Trends and Developments: Coworking spaces have grown rapidly around the world, from North America and Europe to Asia and South Africa. The number of CWS increased from 310 in 2009 to 7,800 in 2015, with the positive trend continuing. Success Factors: The success of CWS is influenced by location, rates, transportation, regional innovation environment, ambience, and convenience. Each city or country has specific factors that influence the development and success of CWS. Legal Implications: The development of CWS requires clear legal regulations, given the characteristics and purpose of building utilization that are different from traditional offices. Perspectives and Recommendations: The development of CWS brings various perspectives from the fields of human resource management, marketing, entrepreneurship, and legislation. Recommendations for the future development of CWS include factors such as community, motivation, collaboration, and promotion. Overall, coworking spaces provide innovative solutions for modern work needs, support the development of the creative economy, and require special attention in regulation and management to ensure their sustainability and growth.

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