

## Psychological Resilience of Tulungagung Marble Artisans in Facing Legal Challenges and Market Competition

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### ABSTRACT

This study analyzes the psychological resilience of marble artisans in Tulungagung in facing increasingly complex legal challenges and market competition. The local marble industry confronts complicated licensing and environmental regulations, low levels of legal literacy, and competitive pressure from imported products and shifting consumer preferences, all of which generate psychological burdens such as stress and anxiety for the artisans. The research employs a qualitative approach enriched with quantitative data, using in-depth interviews with 18 artisans, field observations in marble production centers, and a resilience questionnaire administered to 20 respondents with an instrument adapted from the 25-item Connor-Davidson Resilience Scale. The results show an average resilience score of 72.8 (medium-high category), with optimism and persistence as the strongest dimensions, while stress regulation remains relatively weak, particularly in relation to legal and economic pressures. Thematic analysis reveals three main themes: the meaning of work as cultural heritage and social identity, legal uncertainty as a source of psychological stress, and community adaptation through mutual support and marketing innovation, including simple use of digital media. The findings also indicate a positive correlation between psychological resilience and market adaptation capacity, where artisans with higher resilience tend to be more innovative and more willing to experiment with new business strategies. The study concludes that resilience functions as important psychological capital for business sustainability, but its effectiveness is constrained by low legal awareness, thereby necessitating integrated interventions in the form of legal literacy empowerment and community-based resilience training for marble artisans in Tulungagung

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## 1. INTRODUCTION

The marble craft industry in Tulungagung plays a strategic role in supporting the local economy by contributing significantly to employment opportunities and community income. For decades, marble craftsmanship has been inherited across generations and has become one of the region's economic backbones. However, in recent years, marble artisans have faced increasingly complex challenges, particularly related to legal regulations and intense market competition. Regulatory complexities concerning business licensing, environmental protection, and compliance with industrial standards often create obstacles for artisans in sustaining their businesses. Inability to adapt to these legal changes may result in legal violations, administrative sanctions, or even business closures. At the same time, global and domestic market competition continues to intensify. The influx of cheaper imported marble products, the emergence of alternative materials, and rapidly shifting consumer preferences force local artisans to continuously innovate in terms of product design, quality, and marketing strategies. Failure to respond to these competitive pressures may lead to declining demand, shrinking profit margins, and loss of market share. These structural pressures place artisans in a vulnerable position both economically and psychologically.

Psychological resilience has been widely recognized as a crucial factor in helping individuals and small business actors survive under economic and social pressure. Resilience refers to an individual's ability to adapt effectively to stress, adversity, and changing life circumstances (Werner & Smith, 1992; Fletcher & Sarkar, 2013). In the context of micro, small, and medium enterprises (MSMEs), resilience plays a key role in maintaining business sustainability amidst uncertainty and competition. Previous studies indicate that optimism, self-efficacy, emotional regulation, and social support significantly influence the adaptive capacity of MSME actors (Dewi et al., 2021). Nevertheless, most existing research on the marble industry has predominantly focused on technical production aspects and marketing strategies. Studies by Setyawan (2019) and Yulianto (2021), for instance, emphasize marketing performance and technological innovation as determinants of industrial competitiveness. Similarly, research by Wijaya and Susanto (2023) highlights that product and marketing innovation are central strategies for improving the competitiveness of craft-based MSMEs. However, empirical studies that specifically examine the psychological resilience of marble artisans especially in relation to legal challenges and market competition remain limited. Legal and regulatory challenges constitute a significant source of psychological pressure for MSME actors in Indonesia. Frequently changing regulations, complex licensing procedures, and limited access to legal assistance create uncertainty and anxiety among business actors (Rahmawati & Asmara, 2022). These legal pressures, when combined with economic stress due to competitive markets, may trigger psychological distress such as anxiety, fear of failure, and reduced work motivation. This condition potentially undermines productivity and long-term business sustainability. Moreover, psychological resilience not only affects business survival but is also closely related to the subjective well-being of MSME actors. Pratama and Lestari (2019) demonstrate a strong correlation between resilience and psychological well-being among MSME entrepreneurs. Individuals with high resilience tend to apply flexible adaptation strategies, such as product diversification, technological innovation, digital marketing, and partnership development. In the marble industry, these strategies are increasingly necessary to cope with regulatory changes and dynamic market demands. Based on these conditions, this study seeks to address the following central research question: How do marble artisans in Tulungagung develop psychological resilience in responding to legal challenges and market competition, and what key factors contribute to their resilience? Accordingly, this research aims to analyze the psychological resilience of marble artisans in facing legal and market pressures, identify the key contributing factors, examine their adaptive strategies, and formulate policy recommendations to enhance both legal awareness and psychological well-being among artisans. The urgency of this research lies in its interdisciplinary approach that integrates legal and psychological perspectives to offer comprehensive and practical solutions for sustaining the marble craft industry in Tulungagung.

## 2. METHODS

This study adopted a qualitative research design with a descriptive-analytical approach to obtain an in-depth and contextualized understanding of the psychological resilience of marble artisans in Tulungagung in responding to legal challenges and market competition. A qualitative approach was selected because it enables researchers to explore subjective experiences, meanings, and adaptation strategies that cannot be adequately captured through purely quantitative measurements (Creswell, 2014). This approach is particularly relevant for examining resilience as a psychological and social process shaped by regulatory pressure and economic uncertainty. The research was conducted in Tulungagung Regency, East Java, Indonesia, which is widely recognized as one of the main centers of the marble craft industry in Indonesia. The participants in this study consisted of 15–20 active marble artisans who were directly engaged in production and marketing activities. Participants were selected using purposive sampling to ensure the relevance of the data. The inclusion criteria were as follows: (1) artisans who had operated their marble businesses for at least three years, (2) artisans who were actively involved in decision-making and operational management, and (3) artisans who had direct experience dealing with legal regulations and market competition. This sampling strategy allowed the researchers to capture rich and information-dense data relevant to the objectives of the study (Palinkas et al., 2015).

Data collection was carried out using three main techniques: in-depth interviews, field observations, and questionnaires, as outlined in the main research proposal. Semi-structured in-depth interviews were employed as the primary data collection method to explore participants' perceptions of legal challenges, regulatory compliance, competitive market pressures, psychological stress, and resilience strategies. This interview format allowed flexibility for probing deeper into participants' lived experiences while maintaining consistency across interviews (Kvale & Brinkmann, 2009). Field observations were conducted at marble production sites to document work processes, environmental conditions, social interactions, and adaptive behaviors exhibited by artisans in their daily economic activities. Observational data strengthened contextual understanding and helped validate interview findings. In addition, a resilience questionnaire was administered to approximately 20 artisans as supporting quantitative data to describe general resilience tendencies among participants, particularly related to emotional regulation, self-control, social support, and optimism.

The research instruments consisted of three main tools: an interview guideline, an observation checklist, and a psychological resilience questionnaire. The interview guideline was designed to explore key themes related to legal challenges, business licensing, environmental regulations, market competition, access to legal support, business sustainability, and coping strategies. The observation checklist was used to systematically record field conditions and artisans' work environments. The resilience questionnaire was developed based on established resilience constructs, including emotional regulation, self-efficacy, social support, and optimism, which are widely recognized as core components of psychological resilience (Werner & Smith, 1992; Fletcher & Sarkar, 2013).

Qualitative data analysis was conducted using thematic analysis. Interview recordings were transcribed verbatim, and the transcripts were read repeatedly to ensure data familiarization. Initial coding was conducted to identify meaningful units related to legal challenges, market pressures, psychological stressors, resilience factors, and adaptive strategies. These codes were then grouped into broader themes that reflected recurring patterns across participants' narratives (Braun & Clarke, 2006). Quantitative data obtained from the questionnaires were analyzed using descriptive statistical techniques to present general trends in resilience levels among the artisans. To enhance the credibility and trustworthiness of the findings, data triangulation was applied by comparing results from interviews, observations, and questionnaires (Denzin, 2012).

The research procedure was implemented in several systematic stages as outlined in the original proposal. The preparation stage involved the development and validation of research instruments, an in-depth literature review on legal regulation, psychological resilience, and the marble industry, as well as the acquisition of research permits from relevant authorities. The data collection stage consisted of in-depth interviews with selected artisans, field observations at marble business locations, and the

distribution of resilience questionnaires. The data analysis stage involved thematic qualitative analysis, descriptive quantitative analysis, and data triangulation. Finally, the reporting and dissemination stage focused on compiling the research findings into a scholarly article and sharing the results with relevant stakeholders, including artisan communities and local policymakers.

Ethical considerations were strictly observed throughout the research process. All participants provided informed consent prior to data collection and were informed about the research objectives, procedures, voluntary nature of participation, and their right to withdraw at any time. Participants' anonymity and confidentiality were fully protected by using pseudonyms and removing identifying information from all research reports. These ethical safeguards were applied to ensure compliance with standard qualitative research ethics (American Psychological Association, 2020).

### 3. FINDINGS AND DISCUSSION

#### a. Legal Challenges as a Major Source of Psychological Pressure

The findings indicate that legal and regulatory issues constitute one of the most significant sources of psychological stress for marble artisans in Tulungagung. Most participants reported experiencing anxiety and uncertainty due to frequent regulatory changes, complex business licensing procedures, environmental compliance requirements, and limited access to legal assistance. Several artisans admitted that they lacked sufficient legal literacy, which increased their fear of making mistakes that could result in administrative sanctions or business closure. This legal uncertainty created prolonged psychological tension, particularly among small-scale artisans who rely heavily on daily income.

These findings are consistent with previous studies indicating that complex and unpredictable regulations pose substantial psychological and operational burdens for MSMEs (Rahmawati & Asmara, 2022). From a psychological perspective, regulatory uncertainty functions as a chronic stressor that continuously challenges individuals' adaptive capacity. Fletcher and Sarkar (2013) argue that resilience is especially tested when individuals face persistent and uncontrollable external pressures, such as regulatory volatility. The present findings confirm that legal stressors are not merely technical obstacles but also psychological threats that directly affect artisans' emotional well-being and sense of security.

#### b. Market Competition and Economic Uncertainty as Structural Stressors

In addition to legal challenges, intense market competition emerged as another dominant stressor influencing the psychological condition of marble artisans. Participants highlighted the growing influx of cheaper imported marble products, the emergence of substitute materials, and rapidly shifting consumer preferences as major threats to business sustainability. Many artisans reported declining demand, reduced profit margins, and unstable income, which significantly affected their motivation and optimism.

This finding supports previous research emphasizing that global and domestic competition has transformed the structure of the craft industry and increased economic vulnerability among local producers (Setyawan, 2019; Wijaya & Susanto, 2023). From the resilience perspective, economic uncertainty requires continuous emotional regulation and cognitive adaptation. Werner and Smith (1992) explain that individuals exposed to prolonged economic pressure without adequate protective factors are more susceptible to psychological exhaustion. Thus, market competition not only challenges the economic endurance of artisans but also undermines their psychological stability.

#### c. Core Dimensions of Psychological Resilience among Marble Artisans

The study identified four dominant dimensions of psychological resilience among marble artisans: emotional regulation, self-control, social support, and optimism. Artisans who demonstrated strong emotional regulation were better able to manage fear, frustration, and stress arising from legal and market pressures. They tended to view business uncertainty as a normal part of entrepreneurship rather than as a personal failure.

Self-control also played a crucial role in preventing impulsive reactions to business setbacks. Participants with high self-control avoided excessive debt, reckless investments, and emotionally driven business decisions. This aligns with Fletcher and Sarkar's (2013) assertion that resilient individuals maintain behavioral discipline when facing adversity.

Social support emerged as the most influential protective factor. Support from family members, fellow artisans, cooperatives, and community networks provided emotional encouragement, information sharing, and even financial assistance. Dewi et al. (2021) similarly found that social capital significantly strengthens resilience among MSMEs. In this study, artisans who were actively involved in associations showed higher confidence and adaptability.

Optimism and growth mindset were also evident among highly resilient artisans. These participants viewed competition as an opportunity to improve product quality and expand market reach rather than as a threat. This positive orientation enabled them to sustain motivation despite repeated business challenges.

#### **d. Adaptive Strategies in Facing Legal and Market Pressures**

The findings reveal several dominant adaptive strategies adopted by the artisans. First, product diversification was widely implemented by developing value-added marble products such as decorative ornaments, customized designs, and souvenir items. This strategy allowed artisans to reach niche markets and reduce dependence on large construction projects.

Second, technological adaptation played an increasingly important role. Some artisans adopted modern cutting machines, finishing technologies, and digital design tools to enhance efficiency and product precision. This confirms Yulianto's (2021) finding that technological innovation significantly strengthens competitiveness in the marble industry.

Third, digital marketing emerged as a key survival strategy. Artisans began using social media, online marketplaces, and messaging platforms to reach broader consumer segments. This shift helped reduce reliance on traditional middlemen and enabled artisans to directly access customers.

Fourth, institutional networking through cooperatives, universities, and government programs facilitated access to training, microcredit, and legal assistance. These networks strengthened both business resilience and psychological confidence, reinforcing the view that resilience is not solely an individual trait but also a socially constructed resource (Denzin, 2012).

#### **e. Psychological Resilience and Subjective Well-Being**

The findings also demonstrate a strong relationship between psychological resilience and subjective well-being among marble artisans. Participants with higher levels of resilience consistently reported greater life satisfaction, lower anxiety levels, and stronger work motivation. They were more capable of balancing economic pressures with family life and personal health.

This result corroborates Pratama and Lestari's (2019) conclusion that psychological resilience significantly predicts subjective well-being among MSME actors. Resilience functions not only as a defense mechanism against stress but also as a source of psychological energy that sustains long-term productivity. In this study, resilient artisans were more future-oriented and willing to invest in business development despite uncertainty.

#### **f. Legal-Psychological Nexus in Artisan Resilience**

A key theoretical contribution of this study lies in its identification of the legal-psychological nexus in shaping artisan resilience. Legal pressure does not operate solely at the institutional level but penetrates deeply into the psychological domain of business actors. Frequent regulatory changes, limited legal literacy, and fear of sanctions generate persistent psychological insecurity that weakens adaptive capacity.

Conversely, improved legal understanding and access to legal assistance serve as psychological protective factors. Artisans who had attended legal literacy programs or received institutional

mentoring showed higher confidence and lower anxiety. This finding supports the interdisciplinary argument that resilience development in MSMEs must integrate legal empowerment and psychological strengthening simultaneously.

#### **g. Policy and Practical Implications**

The findings imply that strengthening the resilience of marble artisans requires integrated policy interventions. First, legal literacy programs tailored to MSMEs are urgently needed to reduce regulatory anxiety and enhance compliance confidence. Second, digital transformation support should be expanded to improve marketing access and production efficiency. Third, strengthening artisan cooperatives and local associations is critical to enhancing collective resilience through shared resources and mutual support.

From a psychological intervention perspective, resilience training, stress management workshops, and peer-support programs can significantly enhance artisans' emotional stability and coping skills. This confirms that resilience is not merely an innate trait but a capacity that can be systematically developed (Fletcher & Sarkar, 2013).

#### **h. Theoretical Contribution**

This study reinforces the conceptualization of psychological resilience as a dynamic interaction between individual capacities and structural conditions. While previous studies have emphasized resilience in economic or psychological isolation, this research demonstrates that legal structures and policy environments play a decisive role in shaping psychological endurance. Thus, resilience must be understood as a socio-legal-psychological construct, especially in the context of vulnerable economic sectors such as craft-based MSMEs.

### **4. CONCLUSION**

This study concludes that psychological resilience plays a central role in enabling marble artisans in Tulungagung to survive and adapt amid complex legal challenges and increasingly intense market competition. Legal uncertainty, regulatory complexity, and limited legal literacy emerged as significant psychological stressors that continuously threaten artisans' emotional stability and business confidence. Simultaneously, economic pressures resulting from global and domestic competition, the influx of cheaper imported products, and shifting consumer preferences further intensified artisans' vulnerability both economically and psychologically.

The findings demonstrate that psychological resilience among marble artisans is shaped by four key dimensions: emotional regulation, self-control, social support, and optimism. Artisans who were able to regulate emotions effectively, maintain behavioral discipline, receive strong social support, and sustain an optimistic outlook showed higher adaptive capacity in responding to both legal and market pressures. Social support, in particular, functioned as the most influential protective factor by providing not only emotional encouragement but also access to business information, institutional assistance, and practical problem-solving resources.

This study also confirms that psychological resilience is closely linked to subjective well-being and long-term business sustainability. Artisans with higher resilience levels reported stronger work motivation, lower anxiety, greater life satisfaction, and higher willingness to innovate. Adaptive strategies such as product diversification, technological innovation, digital marketing, and institutional networking were not merely technical responses but also manifestations of psychological endurance in the face of structural adversity.

A key theoretical implication of this research lies in its identification of a legal-psychological nexus in shaping MSME resilience. Legal pressure does not operate solely at the institutional level but penetrates deeply into the psychological domain of business actors, influencing their sense of security, confidence, and future orientation. Conversely, legal empowerment through improved legal literacy,

access to legal assistance, and regulatory clarity serves as a psychological protective factor that strengthens resilience. This finding reinforces the interdisciplinary argument that resilience development among MSMEs requires the integration of legal strengthening and psychological capacity building.

From a policy and practical perspective, this study underscores the urgency of integrated interventions that combine legal education, digital transformation support, institutional strengthening, and psychological resilience training. Government agencies, universities, and business associations should collaborate to provide structured legal literacy programs, adaptive technology support, digital marketing training, and community-based psychological support for artisans. Such integrated policies are essential not only for strengthening business competitiveness but also for safeguarding the psychological well-being of artisans as key actors in the local creative economy.

Despite its contributions, this study remains limited by its qualitative scope and its focus on a single regional craft industry. Future research is encouraged to employ mixed-methods or longitudinal designs, expand the geographical scope, and explore comparative resilience patterns across different types of MSMEs. Further studies may also examine the role of digital legal services and technology-based legal assistance in strengthening psychological resilience in vulnerable business sectors.

In conclusion, the sustainability of the marble craft industry in Tulungagung is not determined solely by market mechanisms or regulatory frameworks but also by the psychological resilience of its artisans. Strengthening resilience through integrated legal, technological, and psychological interventions is therefore essential for ensuring long-term industrial sustainability, social welfare, and inclusive economic development.

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