

The Influence of Entrepreneurship and Business Management Training to Income of Catfish Microindustry Owner in Indonesia

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The Influence of Entrepreneurship and Business Management Training to Income of Catfish Microindustry Owner in Indonesia

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Abstract

Opportunity and challenges face by Indonesian are growing bigger. Microindustry activities become one of many forms of democratic economy activities as the mainstay of Indonesia's economic growth to accelerate economy, absorb labour and empowering society. In this rough economic condition like today business doer must not retreat to situation. Especially for microindustry doer who have not equipped with science technology and adequate material of social culture. Long term purpose from this research is gaining a better prosperity for society, in particular for catfish floss/shredded meat microindustry owner through optimum and rational resources that posses modern concept. The purpose of this research is explaining: 1. Entrepreneurship capability of microindustry owner. 2. Lackness of business management knowledge. 3. Is there any difference of income before training and after receive training. This research is using explanatory design. Location of the research is Bandung Regency, Indonesia. Respondent criteria is owner of business that run for at least one year. Data collection held by interview and observation. Independent variable is entrepreneurship and business management training. Dependent variable is income of microindustry doer. Result from tabulation data show that training has a positive impact to income of catfish floss/shredded meat business owner. There is a significant difference of income before training and after receive training.

Keywords: entrepreneurship, business management, microindustry Indonesia

1. Introduction

Groups of microbusiness industry existed today have to survive by expanding their limited economic and social relations. The condition of microbusiness welfare over time almost has no change or stagnant and always in unfortunate stage. Small and Microbusiness Industry or UMKM (*Usaha Menengah Kecil dan Mikro*) activity become one of many forms democratic economy activities as the mainstay of Indonesia's economic growth to accelerate economy, absorb labour and empowering society in which by economic these efforts are expected to overcome poverty problems that still undermine Indonesia society.

According to Government Regulation No.20 2008 which states that microindustry is productive business belongs to one person and or private company that categorize under microindustry criteria, such as having netto income not more than fifty millions rupiahs (Rp. 50.000.000,-) and annual selling profit not more than three hundred millions rupiahs (Rp.300.000.000,-).

According to White (1991:20) microindustry can not be seen as part of development targets or achievement but it is a potential equipment to produce income and prosperity for a nation. Microindustry has huge potencies and possess lots of strategic job opportunities because almost every stratum of society with limited capital can engage production activity. It can absorb work labours, reduce unemployment number and increase income and prosperity. However, limited capital, lacks of skill in managing product, less competitiveness also restrictiveness to information and business development are weaknesses of microindustry. Capability of microbusiness doer can be upgrade by adding related knowledge, attitude, and skills Prihatminingtyas (2005). To target a vast market (market segmentation and selling areas) needs a good marketing effort. Then, giving strong competitiveness by increasing numbers of seminar and training activity about financial accounting, marketing management that relates to the product (organic probiotic catfish floss) to make the product ready to enter local and national market segment. In addition, the research result by Hadiati (2012) has found that creativity and innovation give significant influence to entrepreneurship in microindustry. Metekohy (2013) also said that entrepreneurship orientation to innovative, proactive, and risk taking attitudes able to increase microindustry competitiveness.

2. Literature Review

Microindustry doer must able to survive and possess competitive advantages. Competitive advantage is company ability to win consistently for a long term on competition atmosphere. According to Prihatminingtyas (2010) to get competitive advantage, there are six factors need to be consider: 1 Honesty, doer's behaviour must be honest about the selling product and its authenticity. 2 Respect on time, by proverb "time is money" in running the business, a doer must understand about how to make efficient time distribution. 3 Product pricing, price determination base on fix cost, un fix cost/ additional expenses plus profit. Low pricing can increase demand of the product but it can reduce profit for the doer. 4 Product quality, which means a product that has been approved by its costumer. Product that on sale is a product that has been ordered by costumer that match with the arrangement before. 5 Flexibility in 'capture' market trends, this is an operation by the business doer that allow him/her to respon customer necessity in a fast and efficient way. Doer's behaviour is expected to have agile competitiveness. 6 Norms, is a business ethic that can not be forget in shaping microindustry competitiveness.

From initial research that has been conducted on site of Cimanintin Block, Jatisari Village, subdistrict of Kotawaringin in Bandung Regency West Java has found problems faced by microindustry doer until this present time. There are: 1. How does entrepreneurship capability of those microindustry doer, 2. How does business management capability of those microbusiness doer, 3. Is there any difference in income before and after having the training.

Effort that has been done to increase income is making business training activities. Its purpose will explain about: 1. Entrepreneurship capability of microindustry doer, 2. Make explanation about parts of business management that still weak from the doer, 3. Income difference from before and after receiving training, with long term target of this research to increase society prosperity, particularly catfish floss industry owner through utilization resources in rational and optimum way with modern concept. Production by using hygiene/clean culture and having social responsibility which means no usage of chemical substances and toxic dye that may endanger costumer's health.

Entrepreneurship capability training for microindustry doer relates to creativity, innovation, risk and business norm. The perception from microindustry doer about entrepreneurship capability will be measured by four indicators: 1. Creativity that relates to something new or in other words, making product that has not been created by other business doer. 2. Innovative, the product is real/exist. Microindustry doer that possess entrepreneurship spirit is expected to be creative, should create something new, unique, and different from other product. 3. Producer/business doer must dare to take risk, whether risk of loss or risk of success. 4. To rule life order then business doer must be equipped

with correct norm. Norm is one element of life that can not be forgotten in shaping microindustry competitiveness.

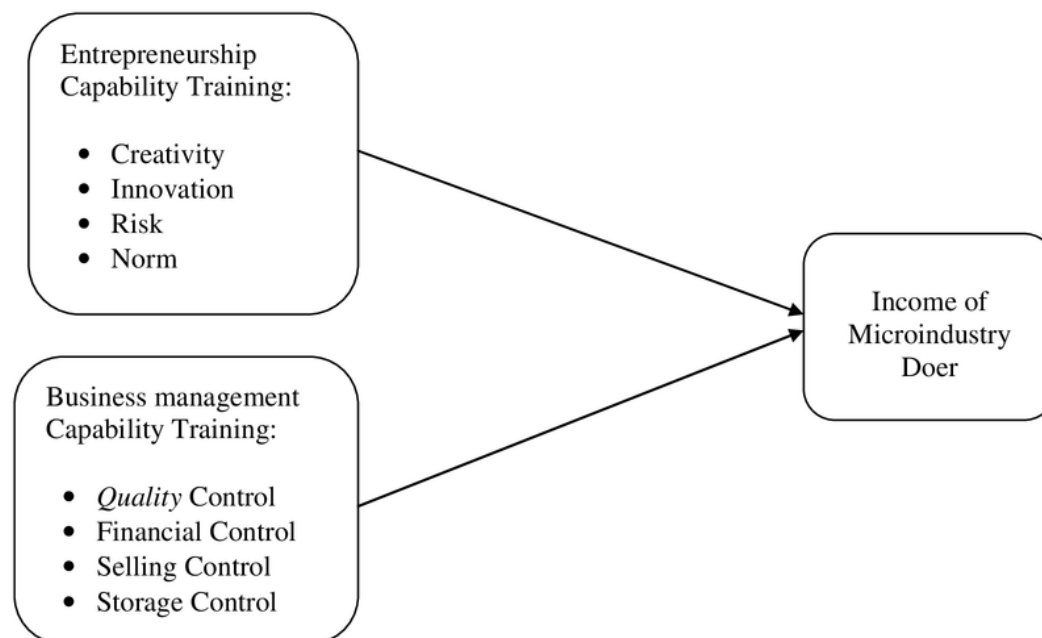
Business management training consists of: quality control, financial control, selling control and storage control. While management is a process to achieve target/purpose through other people. Starting from planning, organizing, leading and supervising Stoner(1987). Supervision relates to work implementation that according to workplan in order to reach the target/purpose. The perception of microindustry doer about business management is measure from four indicators, namely: 1. Quality control is a result or perception from the owner who also play role as microindustry manager which supervise the cost of raw material and its quality. 2. Financial control is a result or perception from the owner who also microindustry manager that supervising fund source and supervision of fund usage. 3. Selling control is a result or perception from the owner also microindustry manager about selling process and expired product. 4. Storage control is a result or perception from the owner also microindustry manager to supervise raw material storage and end product storage.

In explaining the difference of income before and after receive training. The training material had been prepared previously through process and coordination meeting. Training instructors were selected according to kinds of skill that needed, which were financial, marketing and management skills. A cohesive approach use as the media which means if there an illiterate respondent must answer questionnaire then she/he will have someone as co-assistant. Time of training implementation will be adjusted to the needs of business doer, while training facility is using town hall and on site (fish pond).

3. Research Methodology

This research conducted for catfish business owner in Bandung Regency, West Java Indonesia. Design for this research is explanatory method, while criteria for respondent are doers who at least has its business for one year. The research framework depicted in figure 1.

Figure 1: Framework of Research Methods



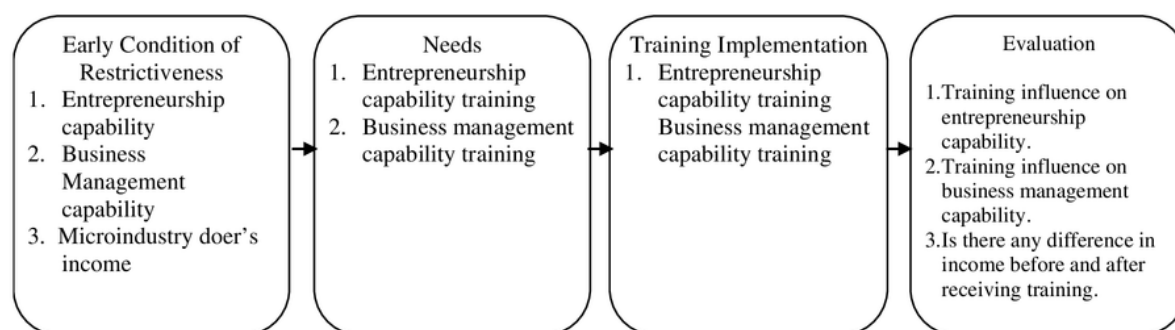
The writer makes data collection by interview and observation methods. For independent variable in this research is entrepreneurship training and business management training. For dependent

variable is income of microindustry doer. Sampling method uses purposive sampling base on early survey on 30 catfish floss business owners who 70 % of them or 21 people had followed training session from the start until it finished. The research instruments are interview guidance, field record, recording tool and writing tools. While data analysis technic by interactive method, one tehnic consist of a series from the entire research which are gathering data for data collection, data reduction, data presentation, making/withdraw conclution and verification of research finding.

Data collection taken by questionnaire which has tested before by realibility and validity methods Sugion (2010). Next, data then analyzed by regression analysis and t test. Regression analysis is used for testing the influence of training to: 1. How does entrepreneurship capability of those microindustry doer, 2. How does business management capability of those microbusiness doer, 3. Is there any difference in income before and after having the training.

Indicator from entrepreneurship capability training and business management capability for microindustry doer are consist of: training materials, instructors, media, time, and facilities. Adjusted to initial condition, stages of training implementation started by identification needs from microindustry doer that relates to the problem that they are facing, followed by training session which in line with priority scale and activities evaluation of condition before receive training and after recieve training that depicted in figure 2.

Figure 2: Stages of Training Activities



4. Result and Discussion

Result from field data tabulation has showing that the highest education level of respondent are graduated from Junior High School (15 microindustry doer or 50 % of total population) then followed by Senior High School graduates (9 microindustry doer or 30 % of total population) while the least were College degree graduates (3 microindustry doer or 10 % of total population) and Elementary graduates (3 microindustry doer or 10 % of total population).

From the total of 30 microindustry businesses in this research, there are three kinds of business: 10 businesses in catfish nursing (*penggemukan lele*) (33 %), 6 businesses in catfish seedling (20 %) and 14 businesses in food with catfish ingredients (47 %). Time duration in this research divided into three sections which are: 5 businesses under one year (17 %), 20 businesses between 2-4 years (66 %) and 5 businesses above 5 years (17 %). Base on age of microindustry doer then mostly respondent are below 30 years old (30 %) and the least is respondent above 40 years old (10%).

The monthly selling amount from these microindustry businesses after receiving training has increase. This is followed by profit increase after having one month of training. Profit before training is less than 1.000.000,- rupiahs (16 %) while after receiving training it become zero percent (0 %). Before receiving training the average profit gain in one month is less than 2.000.000,- rupiahs (35 %) while after receiving training rising up to 40 %. The rest of calculation can be seen on table 1 below.

Table 1: Monthly Average Profit Before and After Receiving Training

No	Profit (Rp.)	Before Training (%)	After Training (%)
1	Less than Rp.1.000.000,-	16	0
2	Rp.1.000.001,- up to Rp.2.000.000,-	35	40
3	Rp.2.000.001,- up to Rp.3.000.000,-	26	30
4	Rp.3.000.001,- up to Rp.4.000.000,-	14	17
5	Above Rp.4.000.001,-	9	13

Source: Data Tabulation 2015

Validity and reliability as the research instruments using equation from Pearson Correlation technic. Validity test conducted on 39 question items is declare valid ranging from 466 until 960. While reliability is found greater than 0,6 (almost 1) than declare as reliable. Base on regression analysis in table 2 entrepreneurship training and business management training has a positive impact and significant value to income of microindustry doer. From this model it can be interpreted that the better entrepreneurship and business management training then the higher income it can get and vice versa. This finding is supported by effective contribution of R square of 74,6 % which explained from entrepreneurship and business management training while the rest of 25,4 % explained by other variable that do not include in this research. T-test analysis result on table 2.

Table 2: Analysis Result

Regression Model				
Model	Regression Coefficient	Standard Error	t	Sig.
(Contant)	.367	.868	.407	.032
X1	.167	.048	3.366	.014
X2	.016	.047	.315	.044
R	.865			
R Square	.746			
F	10.377			
Sig.F	.008			

Source: Tabulation Data 2015

There is significant difference to income of microindustry doer before and after receiving entrepreneurship and business management training. This is supported by average value before training of 3,60. Result from tabulation data showing that respondent responses to entrepreneurship and business management training variable has value of 4,05 in table 3. which means mostly or the average answers of respondent in the questionnaire paper ranging between 4 and 5 (agree and very agree with the entrepreneurship and business management training).

Table 3: T test Result

	Average	n	Standard Deviation	Standard Error
Before Training	3,60	30	0,527	0,177
After Training	4,05	30	0,568	0,180

Source: Tabulation Data 2015

For respondent who said agree with these training have reason that entrepreneurship and business management training giving big benefits mainly from the material, creativity, innovation, risk and norm. By this training program most business doer receive useful material from trainer/instructor about a successful business management. They are also agree with the reason that business management training program is useful and has big benefit to know about quality control, financial control, selling control and storage control. *Quality Control* is microindustry supervision about the

cost and quality of raw material. *Financial Control* is microindustry management about supervising source of fund and its usage. *Selling Control* linked with selling process and expired product. *Storage Control* is microindustry management relates to supervision in raw material storage and end product storage. These four pillars have important meaning for business doer to make their business working simultaneously and gain long term profit.

The result from data tabulation has showing that these training has a positive impact to income of catfish business doer. There is a significant difference of income before receive training and after receive training. Result of this research also showing that entrepreneurship and business management training variable has a significant influence to income of microindustry doer variable simultaneously, which means by increasing of entrepreneurship and business management training all together has positive impact to the increasing income of business doer. On the contrary, less entrepreneurship and business management training will have bad impact to the decreasing income of business doer. This finding is similar with result of Rofhanda (2008) research who investigate about Impact From Training and Workshop to Development of Microindustry. She said the training variable has significant impact to microindustry development variable simultaneously.

In partial, there also finding showing that this training has significant impact to microindustry development. As stated by research finding from Brahmasari & Suprayetno (2008) which investigate the Influence of Job Motivation, Training and Organization Culture to Development of Microindustry, found that training has significant and positive impact for development of microindustry. Result from training realization always give positive impact for development of microindustry, because the more often training activity held will make positive impact for the development of microindustry increase. Then, in partial, there also finding of business building (*pembinaan*) has significant impact to microindustry development. This is align with Lubis (2004) finding that investigate Influence of business building to Microindustry Influence. It has stronger influence and giving higher contribution. As a conclusion, the more intensive the business building is, then the bigger possibility to take these businesses in more advance microindustry development.

5. Conclusion

Entrepreneurship capability training which consists of creativity, innovation, risk and norm has a positive impact to the income of the microindustry doer, in this research is catfish floss business owner. Business doer must strive to have ample of creativity, innovation in a form of real product that has not being created by other business doer. An entrepreneurship microindustry doer must strive to have creative senses for making new, unique, and different product for the market. She/he also must dare to take risk, whether loss risk or success risk. The last point is norm. In creating agile competitiveness, business doer must equipped with religious norm that imply on their clean culture, by refuse chemical material and toxic dye that endanger consumer's health.

Business Management Science Training consists of: quality control, a microindustry supervision about cost and quality of raw material; financial control, a microindustry management about source of fund and fund usage; selling control, a microindustry supervision that linked with selling process and expired product; while storage control is microindustry management about supervision in raw material storage and end product storage. There is income differences in before and after receive these training.

This training activity about entrepreneurship and business management capability for catfish floss/shredded meat business owner is expected to conduct continuously. There also needs to have co-assistance. For marketing these products needs a special display in a form of periodically exhibition with the support from local government, university and good cooperation with related authorities. Another important suggestion is making protection for microindustry business, to make them have competitiveness against the bigger industry. To future research is expected to add another variables that relates to motivation elements.

Acknowledgment

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