



Self-Reliance Improvement Model for Women Batik SMEs

(Study at Kliwonan Village Small Batik Industrial Center)

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The aim of this study was to measure the effectiveness of Self-Reliance Model for Women Batik SMEs at Sragen Regency Batik Industrial Center, Central Java Province. For the purpose of this research, 95 women batik enterprise owners in Batik Industrial Center at Kliwonan Village were selected as respondents through purposive sampling. Qualitative descriptive analysis was applied to describe the profile of the business and development model of Women Batik SMEs in the research. There were 30 respondents or about 32% who had been very successful in running their business. About 40% of them were almost success (38 respondents). Beginning to show the results were 23 respondents (approximately 24.2%). More than half of them still needed serious attention. Therefore, it was necessary to improve self-reliance of Women Batik SMEs in order to survive and have competitiveness in global level. Therefore, a model to improve their self-reliance was structured namely Self-Reliance Improvement Models (SRIMs). This model was structured through eight stages. They were Screening, Profiling and Selection, Implementing Training Programs, Business Planning, Mentoring and Counseling, Funding Access, and Final Assessment. It was expected to be very helpful to improve the ability of Women Batik SMEs to gain useful knowledge on how and where they could get an access of business financing, catch network building opportunities, and solve problems more efficiently. Other valuable advantages of SRIMs were to increase sustainable competitive advantage, improve knowledge on financial elements in the business, increase business skills, understand the signs and causes of failure in business, and improve entrepreneurial skills (risk orientation, creativity and innovation, and identifying business opportunities). Government support from related agencies (Industry and Trading Agency) in implementing Self-Reliance Improvement Models was also needed. Another support needed was forming the organization as a means of information exchange to expand social network. Social network is always very important to get useful information about the more prospective and marketable batik design or motives, the latest manufacturing technology and marketing network.

Keywords: Self-Reliance Improvement Models, Women Batik SMEs, Batik Industrial Center, Masaran Sub-District.

1. INTRODUCTION

Based on data noted by Ministry of Cooperative and SMEs, there are currently 39% or 53.8 million of micro, small and medium enterprises (SMEs) in Indonesia of which 21 million are run by women (Halim, 2011). Until the present, the role of women in the SME sector shows a good progress as indicated by 42% improvement of SMEs managed by women than 10 years ago. It means that Indonesian women have contributed well and significantly in increasing the number of entrepreneurs.

Indonesian women, one of the driving powers for the real economic sectors, have been actively involved in various economic activities. Their role in decision making ranges from managing

informal household economic sectors until developing small and medium scale enterprises. Their basic or natural characteristic is the underlying power for their success key in starting a business enterprise. From 30.000 business women as the members of IWAPI (Ikatan Wanita Pengusaha Indonesia or Indonesian Business Women Association), 70% come from small and medium enterprise, 17% are from medium scale enterprises and 13% are from large scale enterprises.

One of small and medium scale industrial centers in Central Java with 20% growth and absorbing more than 60.000 employees from 2006 until 2010 was Sragen Regency. It indicates their magnitude in increasing economic growth (Table I).

Small scale industry developed rapidly in Sragen Regency is batik making. Hand-carved batik producing activities as small

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Table I. The number of small scale, medium scale industries, and large scale industries and industrial centers in Sragen regency.

No.	Explanatory	Unit	Year				
			2006	2007	2008	2009	2010
1	SMI						
	a. Num of SMI	Unit	16,491	16,569	16,792	16,792	16.792
	b. Num of SMI employee	People	49,509	50,147	62,145	63,388	63.388
	c. Num of SMI investment	Mill Rp.	40,238	41,258	48,528	48,528	48.528
2	Big industry						
	a. Num of BI	Unit	12	13	13	13	13
	b. Num of SMI BI	People	11,784	11,744	13,581	13,852	13.852
	c. Num of BI investment	Mill Rp.	555,769	557,767	605,796	605.796	605.796
3	Num of industrial center	Center	104	105	110	110	110

Source: Sragenkab.go.id.

scale enterprises are spread mainly in small industrial centers at Masaran, Plupuh, and Kali Jambe Sub-District. Various batik products have been marketed from local until international scope. There are 2.567 SMEs in Masaran Sub-District with the production capacity of hand-carved and printed batik of 27.000 pieces/year. Silk and cotton are their main raw materials.

To enhance self-reliance of women SMEs, a model for that purpose was developed at Kliwonan Village Batik Center, Masaran Sub-District. It was aimed for the women who want to start their own business, run their business in early period, and improve their entrepreneurial and so managerial skills.

This model involved women entrepreneurs or elect of women entrepreneur because they represented the most important group from government policy point of view. This model was a one-stop solution model which tried to improve the delivery of financial services and open the marketing access for the owners with orientation on the growth. Therefore, the participation of women in the economic activities could be promoted.

Batik craft industry at the Kliwonan Village, Masaran Sub-District, had been started since 1975 by hand-carved batik making. It was inherited until the present. At first, batik making was done just as a part time activity, especially by house wives where agricultural activities were done by most people there. As time goes by, batik making activity had been changed from part time activity to be a livelihood. Its characteristic as inherited activity and owned by women would be relatively vulnerable in the uncertain economic conditions. Therefore, several efforts to improve self-reliance of women-owned SMEs in order that it was able to be developed sustainably were needed. Thus, the research question is: "How should the self-reliance model for the Women Batik SMEs at Kliwonan Village Batik Industrial Center be developed?"

2. MATERIALS AND METHODS

Women Batik SMEs is one of the entrepreneurial activities which its potential needs to be developed. Entrepreneurship itself is the

ability of a person to view and assess business opportunities, collect urgent resources for taking appropriate action, and take profit in order to achieve success. Basically, entrepreneurship is essentially the nature and characteristic of a person who has the willingness to make some innovative ideas real in creative ways. Whereas, an entrepreneur is someone who has such abilities in order to increase his revenue.

Some of entrepreneurship concepts are identified by the ability of entrepreneurs in the business domain. But in the real fact, entrepreneurship is not always synonymous with entrepreneur characteristics because it is also owned by person who is not an entrepreneur. Entrepreneurial covers all aspects of the work, both public and private employees (Soeparman Soemahamidjaja, 1980). Entrepreneurs are those who make efforts in creative and innovative ways by developing ideas, and collecting resources to find opportunities and life preparation (Prawirokusumo, 1997).

Entrepreneurship arises when an individual has a boldness to do efforts and develop new ideas. Entrepreneurship process includes all functions, activities and actions related to the acquisition of business opportunities and the creation of business organizations.⁸ The essence of entrepreneurship is to create an added value in the market through a combining process of resources in the new and different ways in order to win the competition. Explained by Zimmerer (1996), the added value could be created through the following ways:

- a. developing new technology
- b. finding new knowledge
- c. improving existing products both goods and services
- d. finding the different ways of providing more goods and services with fewer resources.

In more competitive business environment, understanding several knowledges to manage enterprise is absolutely necessary for an entrepreneur. The knowledge includes:

1. market knowledge and marketing strategy (including identification of market segment).
2. understanding of consumers (and so the customers as specific consumers), competitors (both new and existing entry), and suppliers.
3. understanding the ways to distribute goods and services (including capability to analyze and diagnose customers).

In another side, specific knowledge such as understanding of accounting and book keeping principles, production scheduling, personnel and human resources management, financial management, marketing, and planning are always urgent. Without equipping skills provision, just knowledge is not enough. Some results of a study in small businesses dynamics explained that the most successful entrepreneurs tend to have adequate specialized skill level. Some necessary skills which must be possessed by an entrepreneur are:

- a. conceptual skills in managing strategy and risk calculating.
- b. creative skills in added value creating
- c. leading and managing skills.
- d. communicating and interacting skills, and
- e. mastery of business technical skills.

Knowledge, skills, and entrepreneurial capabilities are several elements that form entrepreneurial personality. According to Dan Bradstreet (1993), a small business holder should have a special personality that is full of steadiness, realistic, hopeful, and He must have a full commitment. Sufficiency in capital can be

achieved if an enterprise is able to weave good relationships with financial institutions. The good relationship will strengthen the confidence of funders to give him financial aid. He is urged to use it effectively to build sustainable trust. Ebert (2000) explained that the effectiveness of an entrepreneur in running his business depended on his skills and capabilities, including:

a. Technical skills

They are several skills required to perform specific tasks such as secretariate activities, accounting, auditing, and drafting.

b. Human relationship skills

Several skills related with human relationship are ability to understand, communicate, and build relationship with the others.

c. Conceptual skills

They refer to personal capabilities to think abstractly, diagnose, and analyze different situations and out side situations. These skills are considered to be very important in gaining new marketing opportunities and so facing the challenges.

d. Decision making skills

In this case, decision making skills consist of the capability in formulating the problems and choosing the best action to solve them. There are three main stages of decision making:

- (a) formulating the problems, gathering the facts, and identifying the alternatives.
- (b) evaluating every alternative and then choosing the best.
- (c) implementing the best alternative, following it up periodically, and evaluating the effectivity of best alternative chosen sustainably.

e. Time management skills

An entrepreneur is always required to utilize and manage the time in the most productive ways.

The ability to win the competition is not less important in business field. An entrepreneur is always required to know and even to understand their own and so their competitors weaknesses and strengths. As Dan and Bradstreet stated (1993): “My best advices for competing successfully is to find your own distinctive niche in the market place.” In line with that statement, an entrepreneur should have an excellence as his real power. He needs to fix his weaknesses in order that He can create many advantages.

He must be able to identify his own weaknesses and strengths and so those two things owned by competitors. From those efforts, He will be able to explore some opportunities. Strengths and weaknesses are usually found in several domains such as service quality, price, quality of goods, distribution channels and activities, and promotional mix. At general, four variables in the marketing mix can be utilized as business opportunities. Entire information about the strengths and weaknesses can be explored and found from various sources such as customers, employees, external environment, distributors, routine business reports, advertising, and trade fair.

Beside several knowledge and skills above, ultimately an entrepreneur must have a strategic plan. A strategies plan consists goal-setting and defining the steps to identify company’s resources (facilities, markets, products, funds, and employees). It is very important for entrepreneur in order that He can use the resources optimally. Through more proactive attitude in facing of change and continuously motivating process to employees, the success will be more easily to make real. Allan Filley and Price (1991) suggested that achieving success in entrepreneurship, especially at the scope of small

companies could be done through several strategy classifications. They are:

a. Crafts

They are prepared by people who are technical specialist.

b. Promotion

Promotion is typically dominated by their leaders and designed to exploit some kind of innovative advantages.

c. Administrative

Administrative firm has a formal administrative management and business are built around necessary functions.

This research was conducted in Batik Industrial Center at Kliwonan Village, Masaran Sub-District, Sragen Regency. There were 95 women batik enterprise owners who were selected as samples through purposive sampling. Descriptive statistical analysis was used to describe the profile of the business and self-reliance improvement model of Women Batik SMEs in the research area.

3. RESULTS AND DISCUSSION

3.1. Small Scale Batik Entrepreneurs Profile

Based on the research, the table below shows that the educational level of the respondents (35.8%) was high school graduates.

From Table II below, most respondents were high school graduates. It was followed by elementary school graduates, junior high school graduates, under bachelor graduates and the last was bachelor graduates. It indicated that actually they are quite potential to be trained through entrepreneur training programs and to be educated with entrepreneurship knowledge.

Table III below showed that the majority number of respondents was in the productive age group. The most was age group of 41–50 years. The following was age group of over 50 years, age group of 31–40 years, and less than 30 years.

From Figure 1, it was indicated that the number of Women Batik SMEs who had been very successful in running their business were 30 respondents or about 32%. Surely, the number was still less than half of total number of respondents studied. About 40% of them were almost success (38 respondents).

Table II. Level of education.

Pendidikan	Frekuensi	Persen
SD (elementary school graduates)	27	28.4
SMP (junior high school graduates)	26	27.4
SMA (high school graduates)	34	35.8
DIPLOMA (D3) (under bachelor graduates)	5	5.3
S1 (SARJANA) (bachelor graduates)	3	3.2
Total	95	100.0

Source: Primary data processed, 2013.

Table III. Age group.

No.	Age	Frequency	%
1	<30	3	3.2
2	31–40	22	23.2
3	41–50	37	38.9
4	>50	33	34.7
	Total	95	100

Source: Primary data processed, 2013.

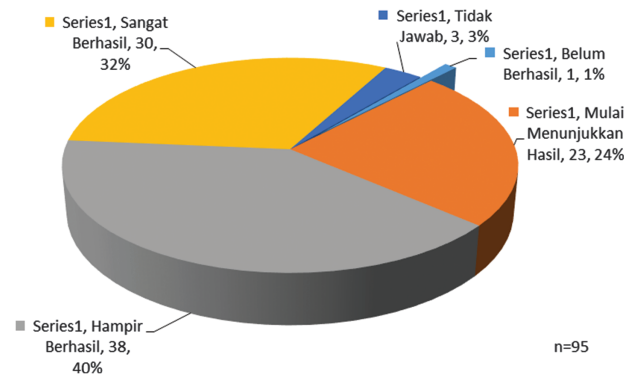


Fig. 1. Business success. Source: Primary data processed, 2013.

Beginning to show the results were 23 respondents (approximately 24.2%). More than half of them still needed to get serious attention. Therefore, it was necessary to improve self-reliance of Women Batik SMEs in order to survive and have competitiveness in global level.

3.2. Self-Reliance Improvement Models (SRIMs)

Based on the research, a model of Women Batik SMEs self-reliance improvement were built and it was summarized in Figure 2. From that figure, some steps done to improve the self-reliance were:

Stage 1: Screening

The initial step was selecting the women entrepreneurs who have growing businesses or at least have the potential to create

a business that can be developed. Criteria of selection also required the participants to have good communication skills that enable participants to take part in activities and group discussions.

Stage 2: Profiling and Selection

The second stage was profiling and selecting potential candidates in SRIMs to ensure their readiness and their ability to present business ideas to the market. Profiling and selection processes were also used to test on going business and the needs required. Company profiles used in SRIMs was devoted to develop the women by providing the broadest freedom to maximize their potential in the context of entrepreneurship. Exposure of this profile also exposed individual personality profiles and in-depth assessment of the needs of their business and urgency of solution offering on branding efforts for their products. It also offered the accesses that could help to grow success of their businesses. Only ready participants who would execute and complete the training program.

Stage 3: Implementing Training Programs

The third stage was to provide training programs for SMEs batik agents to improve their self-reliance. Before doing the training programs to increase self-reliance, at first pre or initial assessment should be done. This assessment was carried out before the training programs to investigate expertise and knowledge level of the participants through various topics of management and entrepreneurship. The main purpose of pre-assessment was to investigate the expectations of the participants on SRIMs and identify targets and their personal and business goals. Training programs (intervention) to improve the knowledge and understanding of the business was further steps. The assessment after

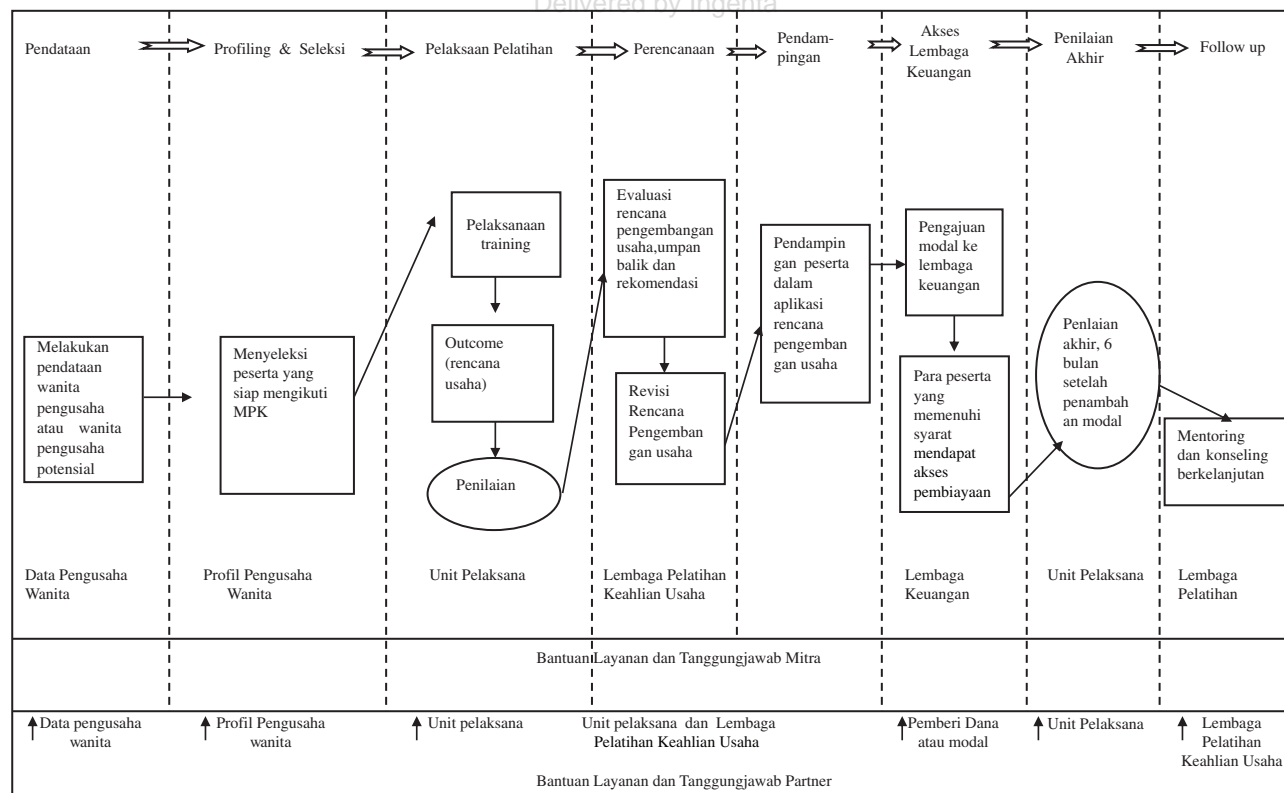


Fig. 2. Batik women SMEs self-reliance-improvement model.

training was completed in order to measure the level of knowledge and transfer of skills undertaken during the training. The participants filled and answered a questionnaire that contained various of components which expressed their satisfaction at general towards the training and whether they had gotten a valuable lesson during training programs.

Stage 4: Business Planning

The facilitators evaluated business development plan of participants by using evaluation sheet that listed all elements of the business plan. Feedback, suggestions and recommendations given in it and then returned again to the participants with various recommendations were used to revise their business plans. There was two weeks of time for all participants to modify their plans through implementing all changes and recommendations proposed by the facilitators.

Stage 6: Mentoring and Councelling

Business mentors and counsellors were assigned to provide further assistance to the participants in business development plan making.

Stage 7: Funding Access

An opportunity to present their business development plans to the funders (BRI, BMT, MFI, etc.) to decide and give feedback from the perspective of the financial institution was given to participants. The process of filing back business development plans to financial institutions was facilitated by the regional government so it could be expected to get a response from financial institutions more quickly than usual. One of the expected outcomes was funding access would be opened if business plans could be applied and approved successfully.

Stage 8: Final Assessment

SRIMs facilitators conducted the final assessment by distributing questionnaires to all the participants six months after the completion of the final training programs. It was conducted to identify what participants had been implemented in their business based on the expertise and knowledge gained from the training programs. Business performance of these participants were also tested and measured to ensure whether SRIMs affected the success of their businesses.

Stage 9: Follow-Up

All participants were monitored continuously and business mentors were also assigned for that purpose. There will be many

forms of organizational participation for network making for their businesses afterward and process of helping one another.

4. CONCLUSION

Self-Reliance Improvement Models would be very helpful to improve the ability of Women Batik SMEs to gain useful knowledge on how and where they could get an access of business financing, catch network building opportunities, and solve problems more efficiently. Another valuable advantages of SRIMs were to increase sustainable competitive advantage, improve knowledge on financial elements in the business, increase business skills, understand the signs and causes of failure in business, and improve entrepreneurial skills (risk orientation, creativity and innovation, and identifying business opportunities).

Government support from related agencies (Industry and Trading Agency) in implementing Self-Reliance Improvement Models was also needed. Another support needed was forming the organization as a means of information exchange to expand their social network. As we have known commonly, social network is always very important for them to get useful information about the more prospective and marketable batik design or motives, the latest manufacturing technology and marketing network.

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