Resource Development of Entrepreneurs of Small and Medium Enterprise (SME) of Wooden Batik Center in Putat Village and Sendangsari Village

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ABSTRACT

Covid 19 Pandemic that hit many countries has led to changes in consumer behavior as in shifting target products as well as consumption patterns with wider digital use. This situation leads to the use of information technology by entrepreneurs in small and medium-scale businesses but the encouragement to make good use of it goes slow. It is caused by a lack of entrepreneurial mindset development owned by entrepreneurs. Therefore, this research aims to find out how far entrepreneurial mindset development is implemented in the development target community, by conducting a study on capacity building activity of workshop owners’ resource in the wooden batik center of Putat Village and Sendangsari Village. The qualitative research method was used with a multiple case approach. The research result shows that in the last six years, there has been no more entrepreneurial mindset training held by the government and private institutions. The psychological approach that is still done is to encourage workshop owners of wooden batik centers. Empowerment activities are necessary to be considered so that the activities are not only aimed at the target community but also the actors who need to be empowered first. Therefore, disorientation will not happen and the objectives of development activities can be implemented more efficiently and effectively.

Keywords: Small and medium enterprise, resource development, entrepreneurial mindset

Introduction

Covid 19 pandemic happened in December 2019 in Wuhan Province, China and it has happened for almost a year. This pandemic has triggered impacts for various sectors. In this article, the economic sector and sociology sector will be analyzed as an introduction. In the economic sector, the decline in and cessation of productivity of various industrial products is happening. Industrial products such as home decor, agribusiness, food, health, and entertainment are not influenced because of the media digital that is growing rapidly. This situation leads to an increase in new unemployment (6.88 Million) and the poverty rate in Indonesia (25.34 Million). The data shows what happened from February to March 2020 so it does not represent the real pandemic impact on the national economic sector. The economic and business downturn is the result of sociological impacts of the pandemic consisting of perceptions of new normality as a solution to prevent the occurrence of the pandemic in society by implementing social distancing and reducing involvement in social gatherings are the effort to limit human mobility (Hadiwardoyo, 2020).

Meanwhile, another sociological impact can be seen in changes in the behavior pattern of consumerism in society in which digitalization is prioritized (Butu, 2020). Therefore, this pandemic situation has encouraged the acceleration of economic transformation based on the use of information technology. This might be the silver lining from the pandemic itself because so far, the use of information technology for SMEs is still low, as specified in the 2018 data by the Central Bureau of Statistics (BPS) regarding Indonesian Small and Medium Entrepreneurs who use an online platform in marketing new products.
around 3.79 million or 8 percent. Factors behind the data are the lack of digital infrastructure for SMEs in remote areas which are mostly in handicraft business sectors and the lack of knowledge of business digitalization (Tambunan, 2011).

The pandemic situation has triggered significant use of online transactions in various media of marketplace, as stated by Director General of Post and Information Technology Kominfo (Djalante, 2020). He states that until the end of 2020, the number had increased by 400%. This makes SMEs have to optimize online marketing use, especially in the marketplace because, after the pandemic, consumer behavior in using online transactions will continue. Digital marketing training has often been conducted for SME centers, one of the examples is in wooden batik centers in Putat Village of Gunungkidul Regency and Sendangsari Village of Bantul Regency.

The two wooden batik centers are the only areas in which many SMEs of batik handicrafts using wood media in Yogyakarta Province and even in Indonesia. Digital marketing training has been frequently conducted for wooden batik center owners. However, not all of the owners use marketplace in promoting their products. The data shows that until July 2020 the number is still 40% (Results interview with Yulianto, the head of Sido Katon cooperation as a center SME development in Sendangsari, and Suroso the head of Sumber Makmur Rejeki cooperation in the wooden center in Putat Village, Gunungkidul regency). They are head of. Their main reason is that they have more trust and feel more comfortable when using conventional market or face-to-face transactions (FGD Result with workshop owners in the two wooden batik centers). It does not mean that they are allergic to digital marketing, so far, they just use WhatsApp and Facebook. Referring to a statement by Mc Grath & Mac Millan (2000) regarding entrepreneurial mindset, unwillingness to use marketplace shows that entrepreneurial perspective has not become a mutual trust among SMEs in both centers, entrepreneurial mindset means the ability to adjust the demand for changes rather than avoid it.

Entrepreneurship mindsets can be formed through joint training, training materials using psychological science approaches that aim to change the perspective of training participants in dealing with problems and demands of changing business environments so that they can put forward the creation of business innovation and be adaptive in solving them, or respond to business dynamics. In the implementation of resource development activities for UKM players, the development of an entrepreneurial mindset is one of the training materials that must be held in addition to improving business skills, an active mindset supported by the development of business skills will have a direct effect on business continuity (Begum & Abdin, 2015).

Entrepreneurial mindset and method are two important things for all entrepreneurs as the modal of developing and sustainable business. Activities in empowering SMEs should develop an entrepreneurial mindset as well as increase business skills. It is interesting to find out how far the implementation has been done. Therefore, this research is a study on capacity building of workshop owners’ resources in wooden batik center in Putat Village, Gunungkidul Regency compared to wooden batik center in Sendangsari Village, Bantul Regency. This research aims to: (1) examine types of capacity building approach of entrepreneurs, (2) find out an existence entrepreneurial mindset development of both wooden batik centers.

**Literature Review**

To be able to answer the research questions appropriately, it is necessary to understand the research theme from its theoretical studies. Therefore, this research used the approach of community development theory due to the study on human resources capacity building is included. Several references show that the concept of community development is the development of locality-based community initiatives through comprehensive activities that can be categorized into several fields affecting each other and becoming correlated (Twelvetrees, 1991; Ife, 2008; Tambunan, 2010). Thus, the target is not only about human capacity building but also about the broader system. As stated by Cavaye (2015) “Economic development is part of community development, which seeks to build all five community capitals, not only enhancing the community’s economy but its environment, social structures, attitudes, and assets.”
Mardikanto (2010) formulates activity fields in community development programs into human development, business development, institutional development, and environmental development. Further explanation is as follows: (1) Human Development is the main activity because it is not only about becoming a beneficiary, human being (human resource) is the essential requirements determining the success of development being done. Human development activities are: (a) individual building capacity, such as personal capacity including characters and professional development; (b) technical skill capacity building. (2) Business Development refers to the formation of business activities as an attraction and a media to maintain sustainable development activities. (3) Environmental Development is required to maintain the environment from physical, social, and cultural environmental damages that can disturb the sustainability of the program and the life of the targeted community. However, also, to prevent the damages, the scope of community development activities leads to the users of the physical environment to fulfill the needs of business raw materials and conditions of the socio-cultural environment supporting and creating sustainable community development. (4) Institutional Development is required to solve the problem and support the sustainability of human development, environmental development, and business development activities. Resource development for SMEs in industrial centers is an activity that can be conditioned naturally, in addition to engineering activities carried out by local institutions, the form of activities in the form of increasing skills, understanding business problems, and developing entrepreneurial motivation (Nolan & Garavan, 2015).

Referring to Mardikanto’s statement above, the research scope in this article is related to workshop owners’ resource development on both wooden batik centers. Meanwhile, according to Neil (2006), Mursito (2012), and Garikai (2016), professional character formation for entrepreneurs through the formation of an entrepreneurial mindset and technical business skills such as marketing, finance, production, and human resources. The entrepreneurial mindset is a creative thinking pattern in dealing with all business problems through an introduction of creative thinking strategies and empowerment actions. Also, it invites and encourages entrepreneurs to get used to doing it in their daily lives so that the mindset will form automatically. Owning an entrepreneurial mindset is very helpful for SMEs in increasing business capacity, this is driven by the courage to take risks by creating product innovations or management functions in solving business problems (Neneh, 2012). A study by Nieuwenhuizen and Kroon (2002) revealed a strong relationship between the willingness to take risks (risk tolerance) and entrepreneurial business success, which further stresses the need for including risk in entrepreneurship education and training programs.

Research Method

To achieve the research objective, this research used a qualitative method with a multiple case approach. The multiple case approach is an exploration of various cases through in-depth data collection, while cases are studied as an integrated whole and rely on EMIC data in solving problems (Guba & Lincoln, 1994). There are 27 wooden batik center owners in Putat Village and 49 wooden batik center owners in Sendangsari Village as the main informants. The main informants in this research are the target of SME development activities by center empowerment institutions in both centers, collaborated with the village, district, government officials, and managers of local center development institutions selected using purposive sampling. Furthermore, to complete and validate the data, information from craftsmen, local communities (non-craftsmen), community leaders, and managers of the external institution are required. Those informants are selected using the snowball sampling technique. The data collection technique was conducted through the interview, focus discussion group (FGD), and documentation. Those three techniques were used to support data validity, in addition to confirmation of informants’ answers (data triangulation).
Results and Discussion

Wooden batik center in Putat Village, Gunungkidul Regency, and Sendangsari Village, Bantul Regency are places for wooden handicrafts and educational tours. The existence of tourism activities is one of the developments aiming to increase society’s income and support wooden batik handicraft activities. Tourism activities consist of wooden batik training, culinary, homestay, and training business. Those lead to many workshops that become homestays, workshop owners become trainers and culinary need providers. However, local society is also involved in these tourism activities especially the community of local women in which they provide culinary needs for tourists and workshop owners in both wooden batik centers. Therefore, the target of capacity building of wooden batik center is conditioned by cooperation and tourism institution (Pokdarwis), Pokdarwis institution in wooden batik center in Putat Village is not operated no longer so that development activities are centered in service cooperation.

There are 27 wooden batik workshops in Sentra Desa Putat, meanwhile, there are 49 wooden batik workshops in the wooden batik center in Sendangsari Village. All of the studio owners were informants in obtaining data regarding the description of resource development of the studio owners in the two wooden batik centers, using in-depth interviews, observation, documentation, and PGD techniques.

Workshop owners’ resources development in wooden batik center of putat village

Based on the resource development activities of wooden batik SMEs that occur, is Workshop owners’ resource development in the wooden batik center of Putat Village is categorized into two patterns, namely by self and by Kopinkra. Both patterns show how to conduct capacity building. By self is a capacity-building pattern conducted by workshop owners, meanwhile, by Kopinkra is a capacity-building pattern conducted by Sumber Rejeki Makmur Craft Industry Cooperation (Kopinkra) to the wooden batik center owner who are the members. Sumber Rejeki Makmur Kopinkra is an institution of development center in wooden batik center in Putat Village.

By self, the pattern shows the awareness of workshop owners in self-development consisting of formal and non-formal approaches. The non-formal approach is several capacity-building efforts by not involving development centers of a workshop or other institution and the conditioning is not official. The approach consists of three types: (1) visit by workshop owners in the center or other craftsmen outside Putat Village. The visit was mostly conducted by workshop owners in the center. However, there are 4 workshop owners (15%) who visit other craftsmen outside the center, most of them are craftsmen of the wooden batik center in Sendangsari Village of Bantul Regency or wood craftsmen in Bayat, Klaten. They have done such visits to support each other, gain new knowledge, and conduct collaboration. the timing is incidental and unpredictable like in their spare time. The more they have spare time, the more they can conduct the visit. The main description stated by Bayu (44 years old), the owner of Tunas Jaya workshop in Gumawang sub-village is as follows:

“When the workshop is visited by fewer tourists or we have orders but our employees can handle it, I usually use the time to visit Karya Manunggal or other workshops. It aims to find out something new as well as keep in touch with them. After delivering the order to Katen, I drop by Bayat to have a look, getting to know each other, and having a conversation about anything related to wood crafts. We still keep in touch and even have collaborated too.”

The different opinion stated by Trahman (50 years old) the owner of new idea wooden batik center in Bobung sub-village:

“I at least visit Mr. Sujiman once a month for having a conversation about business. I can get such support from him and I hope I can also get new experiences and ideas. Before having my workshop, I worked with him for about 15 years. I built my workshop in which he gave me the land and business modal.

The second type of non-formal approach is go browsing. This kind of activity leads them to utilize the sophistication of 21st-century technology on mobile phones. As it is known that handphone is a small thing completed with sophisticated information technology, workshop owners often use it to gain knowledge about types of woodcraft, marketing, networking, and the ins and outs of successful businessmen. Applications frequently accessed for capacity building are Pinterest (20%), Google (75%), and YouTube (5%). They go browsing when they are free and the time is more flexible because they can do it anywhere and anytime. Besides, they
don’t have to involve others to do it and they just need an internet signal. Wooden *batik* center in Putat Village is located in highlands and it is close to several tower providers so that the internet network is stable.

The third type of non-formal approach is an internship. In this case, workshop owners accept a person or several people to gain work experience and expertise in making wooden *batik*. These internship activities have been done by workshop owners before the center was built. This aims to regenerate craftsmen in which the main target is teenagers of Putat Village especially residents around workshops. The internship applies the learning by doing approach, in which participants conduct the learning process by practicing. They will observe the making process by craftsmen while materials and equipment are provided. The internship is conducted for 8-12 months. They will only get paid if the work is good. However, in the last 10 years, the number of apprentices (teenagers) has decreased. This leads to a decrease in teenagers’ interest to join the internship. According to Agus (29 years old), Mulia Workshop Owner, “In 2000, there were a lot of teenagers who join the internship in a nearby workshop. As time goes by, the number is getting smaller because they prefer to work in companies or cities”.

The formal approach on *by self* pattern involves development center institution and as well as other institutions and it is formal. This approach consists of management function training (production, marketing, finance, and human resource management) and entrepreneurial motivation conducted by government institutions and private institutions. Training information is obtained from friendship networks and WhatsApp group chat. The training schedules are implemented without adjusting workshop owners’ spare time. Besides there are particular requirements to join the training such as for owners who have seven workshops must be flexible for the schedule because they can ask their employees (craftsmen) to represent them in the training. As stated by Eko (40 years old), the owner of Eko Bubut Workshop, “If I cannot join the training, I will ask my employees, they can come based on the material in the training”.

On the other hand, workshop owners who no longer have employees or craftsmen (there are 20 wooden *batik* centers), cannot adjust their time and become selective to join the training. The training involvement is determined by training materials and rewards given to participants. It is a must to take part in the training if the profitable rewards are obtained such as new training material (gaining new knowledge) and production equipment or transportation fee. Profitable rewards encourage them to get involved in the training. Their presence can be represented by others. In the last four years, the training given is just about business skills, there is no entrepreneurial motivation delivered specifically.

Meanwhile, *by kopinkra* pattern is a form of capacity building conducted through training. Since 2018, training has been conducted in kopinkra office and previously in Joglo Bobung (*joglo* style meeting room in Bobung sub-village). In 2018, the meeting room is large and spacious in the new kopinkra office. The training schedule is incidental so that the time is unpredictable each year in which it depends on external stakeholder, not on the demand. The number of participants is different each year. In the last three years, the number is getting smaller. In 2019, there were only two training conducted in which the training was less than the previous year. In 2020, there has been no training at all until July. This because of the corona pandemic and inactivity of kopinkra managers. The number of participants and their name is determined by the coordinator and then the coordinator will give the circular letter to each participant. The material is similar to *by self* pattern with the formal approach. It is about management function techniques (marketing, production, finance, and human resources). Entrepreneurial mindset material is rarely taught int the training. The material is taught by lecturing or discussing in which the material is brought by speakers or participants.

*Workshop owners’ resources development in wooden batik center of Sendangsari village*

Based on the results of observations, interviews, and FGID, in Sendangsari Village, SME development activities are conducted by two local institutions, cooperation, and pokdarwis. However, there are two development patterns of self-development of SMEs that are differentiated based on the implementation; efforts made by Kopinkra Sido Katon and Pokdarwis Krebet Binangun and workshop owners. Those patterns show active efforts made by institutions and member, in which most of the member are wooden *batik* center owners, while the member of Pokdarwis Krebet Binangun is local society. Pokdarwis is a tourism institution with a scope of only one sub-village.

Efforts of capacity building of wooden *batik* center by Sido Katon Cooperation in the last six years are training and mentoring. The fact is the cooperation as an external stakeholder that has the
initiative to conduct such training and mentoring. The institutional approach has been done actively by the cooperation through the industrial field to have collaboration in members development. However, the approach is a non-formal approach in which there is no official written announcement to manage training and mentoring. Due to the office space is limited, training is conducted alternately in Joglo owned by Punokawan Workshop, Peny Workshop, and Erlangga Workshop. Owners of those workshops act as coordinators and supervisors of the cooperation. The locations are close to each other and located on the main street of Krebet Padukuhan. Training materials are mostly about handicraft production. In 2018, basic training to create new business was conducted. In 2019 RAT, the coordinator was asked to continue those training for beginners because the theme is important in regenerating craftsmen.

Sometimes, training speakers are from local craftsmen but they are not on the team so that they are given a space and a chance to empower local craftsmen in sharing their knowledge (Results interview with Dewi, the head of small business and cooperation and SMEs office in Bantul Regency). Local speakers selected are senior craftsmen who own big workshops, such as Kemiskidi (Peny Workshop) and Gunjiar (Widoro Kandhang Workshop). They are expected to share knowledge about making batik and putihan techniques in a training session. In recent years, the materials are still about making batik, putihan, or wood shapes techniques in various patterns and digital marketing. The duration average of each training is two days from 8 a.m to 4 p.m every day. Most of the training is conducted during working hours. In the last six years, the cooperation has successfully conducted one-two actives each year.

Furthermore, mentoring is conducted by cooperation through professional work lectures and regular monthly meetings. The professional work lecture has been conducted since 2008, in collaboration with the Faculty of Economy of Sanata Dharma University of Yogyakarta. A lecture is an annual event held once in August or September. 12 groups are consisting of 11 to 15 students involved in the event in which they stay in wooden batik centers for two weeks as members of Sido Katon Cooperation. By staying in the area, they can focus on mentoring workshop owners in developing the business. The activity includes mentoring in the financial administration process, digital or conventional marketing, and production capacity building based on students’ expertise. The mentoring is private and intensive within 14 days in which the first two days are used for data collection and activity plan. Therefore, aspects in the mentoring can be adjusted to workshop and student necessity based on how long students stay in the area. The cooperation used a rotating approach in setting mentoring targets each year. Based on research data, until 2019, workshop owners have been mentored twice.

Meanwhile the mentoring with regular monthly meeting approach is facilitated by the cooperation once a month in the member’s house in turns, including the craftsmen. Therefore, food and beverage are provided by the member who provides the meeting place, and later on, the fee will be reimbursed by the addition of the Remaining Business Result (SHU). The coordinator also has to be informed and problems deliver in terms of business or cooperation development. Each member can share information or problems to be discussed together. Mutual discussion is a problem-solving activity and information processing based on members’ experiences. The material discussion should be applicable for business management aspects especially for wooden batik handicrafts so that the mentoring can make participants gain knowledge and skills. As was felt by Supriyanto (40 years old), the owner of Linggar Jati workshop, “knowing techniques of paint mixing process from the seniors at the regular cooperation member meeting”.

On the other hand, Kreber Binangun Pokdarwis institution use approaches such as training, mentoring, and socialization. In the last six years, the training is about English language mastery and homestay management by workshop owners as the guide. Those activities are sustainable because external institutions are involved in tourism development. In Krebet Sub-village, this kind of activity is frequently conducted. Even though the training theme is the same, the schedule and duration are different which depends on the availability and necessity of external institutions so that the time is unpredictable. As stated by Yulianto, the Head of Kreber Binangun Pokdarwis:

“Recently, the training of English language and homestay management cannot be conducted continuously in a clear period because we still involve external institutions. For example, in 2018 we
conducted training of English language in 20 meetings, however, in the next year, we just conducted the training for a week because the institution was different.”

Other trainings are about *sapta pesona* concept implementation and tourism potential development. The training place is always in pokdarwis secretarial office in Punokawan Workshop joglo. Meanwhile, mentoring of tourism development conducted by pokdarwis is still limited to workshop preparation in welcoming guests that conducted by pokdarwis managers on several days before tourists will stay overnight. The workshop visit approach is implemented in which managers visit each workshop or house as a homestay to be given direction and arrangements in providing excellent service to tourists. They also advise about being aware of maintaining the workshop environment in terms of sanitation, comfort, and safety. Generally, their awareness is implemented collectively and incidentally by pokdarwis through the head of Hamlet 1–5 in Krebet Sub-village in a monthly meeting. Even though the meeting is not routine, it aims to maintain and increase the awareness of local society’s role that is important in tourism activity with the concept of *Sapta Pesona* (safe, disciplined, fresh, beautiful, friendly, and memorable).

Independent capacity building is an individual activity conducted by cooperation members to enrich the understanding of their efforts. Although there are six non-wooden *batik* entrepreneurs in the cooperation membership, they are not involved in SME development activities by the institution or individuals. A factor is a small number in business. There are four activities as follows; (1) home visit among workshop owners to have an impromptu discussion about business progress other than family topic or other topics which are commonly done in a village in leisure time. Therefore, they unpredictably gain knowledge and information from the discussion although sometimes they also have planned discussion. Realize it or not, the activity gives benefit in understanding the business and tourism, in which what they have discussed refer to all business management aspects except the buyer.

Next activity (2) independently joins the training held by the government or private institutions outside the cooperation and pokdarwis activities. There is a small number of workshop owners who join the activity (<40%). The distance factor is the main reason. It is different with the participant who lives in Krebet Sub-village or if the training is conducted in Krebet Sub-village area or Dadapbong and Pringgading Sub-village. The benefit obtained is the factor considered in selecting the activity. Based on the data, the entrepreneurial mindset is no longer discussed in the material. (3) the use of the internet independently and individually is also implemented. Before the pandemic, this kind of activity is rarely done by workshop owners. Most of them use the internet only for communication, however, during the pandemic, the internet is frequently used to find out inspiration in contemporary *batik* patterns, the marketplace, and handicraft market trends. All of them use handphones to go browsing.

The last is internship (4), which is capacity building development activity by the beginner of craftsmen for regeneration so that the target is teenagers. In the last six years, the internship has been only conducted by the workshop that has craftsmen who work daily in the workshop. Not only young generations who participate in the internship but also old generations. Trial and error learning techniques are implemented by firstly observing the senior and then practice independently. Participants will be paid after doing *putihan* or *batik*-making phase or finishing. Society of Sendangsari Village is prioritized in the internship. The number of participants is getting smaller and most of them are old generations (≥35 years old) who have a family but do not have a job or unemployed.

Based on the results of the research and descriptions of the theory used in this study, it can be said that the pattern of developing the resources of the owner of the wooden batik workshop which is done independently (by self) is a natural independent process that usually occurs in an industrial center. Due to the existence of wooden batik business actors in Sendangsari and Putat Villages (industrial centers), it directly encourages the creation of a desire to create synergy between the studio owners in understanding business problems, so that their business activities can survive and develop.

Meanwhile, the development of resources for the owners of wooden batik studios that are conditioned by local institutions at the two wooden batik centers has begun to neglect the development of an entrepreneurial mindset, as evidenced in the past 6 years that the training material has focused more on improving technical skills for wooden batik production and management functions. others, such as marketing management, finance, and management of craftsmen or studio employees.
Conclusion

Referring to the definition of community development as a target of community initiation development, there is an independent pattern in addition to the development center in capacity building by workshop owners in both wooden batik centers. This shows community initiation and success in development activity. However, the absence of entrepreneurial mindset in the training conducted by government and private institutions in the last six years has shown that the objective in developing entrepreneurial character in SME of both centers is forgotten. Development activities must be firstly empowered, especially building awareness by having similar perceptions about objectives being achieved on each development activity to eliminate disorientation and different result compared to the available research.

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