

Model of Entrepreneurship Development with Local Economic Development Approach in Bond Woven-Sarong Center Lamongan Indonesia

Madziatul Churiyah¹

¹*(Faculty of Economics, Universitas Negeri Malang, Indonesia)*

Abstract: *This study was conducted in order to determine the effectiveness of Model of Entrepreneurship Development to local economic development approach. This study used the research flow (fishbone diagram). This research was conducted using Research and Development (R&D) approach. The population of the study was 50 woven-sarong craftsmen in Parengan Meduran, Lamongan. The analysis of the data in this study using quantitative descriptive techniques in the form of a simple percentage, use of tables and diagrams. The results of the study showed that the Model of Entrepreneurship Development to local economic development approach was effective for use in the development of entrepreneurship.*

Keywords: *Model of Entrepreneurship Development, Bond Woven-Sarong Center, Training and Assistance.*

I. Introduction

SMEs as the economic basis of society must not be separated from the nature of SMEs themselves which do not require large capital and an adequate level of education. With sufficient capital and skills, and courage then the public has been able to run and manage SME. Not surprisingly then SME tend to be business-based domestic industry with small scale. SMEs themselves also tend to have become a business run by generations and become a tradition. This is what makes SMEs in some respects become an economic activity that is "resilient". The SMEs doer with all efforts maintain their business activities that could be because in an effort to maintain a family tradition that has been passed down through generations that, even with bear high financial losses. SMEs then has become the lifeblood of a family's existence.

It also happens to craftsmen in the center of woven-sarong in Parengan Meduran, Lamongan regency, and East Java, Indonesia. Almost 60% of the population depend on this sector of creative crafts. In this village there are 50 groups of weaving craftsman who only produce sarong. The limitations of the product was caused the demand of consumers coming from certain times. For example in the month of Ramadan and the Hajj season, the demand will increase, while in the following months has low demand. Exploration results in the study the first year data showed that potential and existing problems in the woven-sarong industry center in Lamongan is as follows [12]: (1) potentials: the building used available, skilled workforce, sufficient workforce, capital employed is private capital, there are various institutions of capital provided, there are government programs that can be used for business development, the high interaction between business units, the identity of the center is well, (2) problems: the land use is limited, the raw materials are limited because imports from India and China, the distance to markets are far enough especially from Parengan to Lamongan, accessibility is less comprehensive (road conditions), low education level, low education and training capacity, the system marketing is still conventional, unavailability the organizational structure, the unavailability of R&D, unavailability legal entity, has not dared to borrow capital, there is no a combination of competence, there are no center institutions, there is no specialization in the center, the quality and competitiveness of conventional products, low innovation, and the promotion is not maximized.

The development of creative industries as a priority industries for the Indonesian future requires a local approach and focuses on endogenous development by involving the availability of local resources. Based on 5M Local Economic Development [1], the development of bond woven-sarong centers in Parengan, Meduran, Lamongan regency faced many obstacles, among other things [12]: (1) The infrastructure has not been able to function optimally and the sufficient raw materials cannot be utilized optimally. It is proven by the availability of cotton, yarn, and dye as raw material of the product was still supplied from other regions. (2) The dominance of middlemen in the marketing system so that the craftsmen had difficulties to see the market competition, and the market penetration was weak so that to this day production only sarongs. Even though, weavings can be modified into forms that others such as clothes, bags, shoes, tablecloths, curtains and many more. (3) The institutions are not functioning properly, still do not have a clear organizational structure, craftsmen are still afraid to have a legal entity, and (4) The private capital is very influential, non-functioning capital institutions as well as the lack of subsidy/government assistance. Meanwhile, based on the characteristics of the cluster, the center has various problems, which are unavailability of institutions to support the production centers,

unavailability of specialization, and low competitiveness of products. In addition, there is a potential which is the presence of spatial concentration and interaction between business units in the center [5].

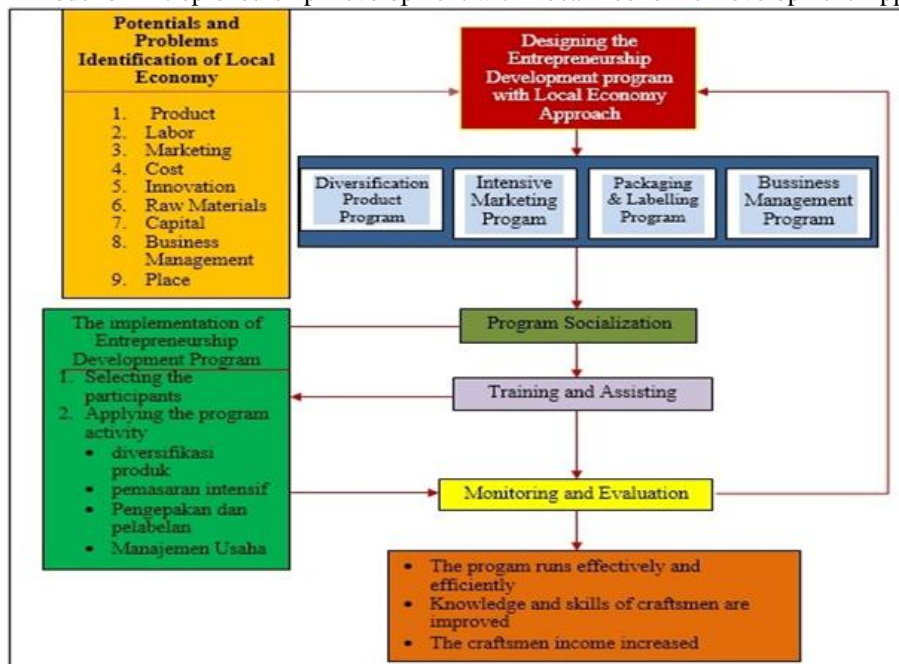
Referring to the issues, it should be developed further results of previous studies that the model of entrepreneurship development with local economic approach for the weaving craftsmen in Parengan, Meduran, Lamongan regency. The entrepreneurship model with the local economy approach will be packaged in the form of training and assisting to the craftsmen. This entrepreneurship model will be a breakthrough for craftsmen in developing a business by looking at the economic potential existing in the region, ranging from production management, marketing management, price management and organization management of the center industry. For example the design of bond weaving is suited to the characteristics of Lamongan; the bond weaving production is not only in form of sarong alone but also developed in various forms such as clothes, curtains, bags, shoes etc.; the marketing is not just carried out by middlemen alone but developed more widely manner handicrafts display in the recreation park Wisata Bahari Lamongan which located approximately 30 km from the Parengan and WEB manufacturing industry. To have attractive product, it must be considered also is the attractive packaging also. It is expected to increase business performance, starting from the product variety, packaging and marketing of products which attract widely, so that the family economic income craftsmen can also be increased

As a result, it is important to have the idea of innovation to develop entrepreneurship with local economy local economy. The idea is relevant connected to some research on entrepreneurship education that showed positive results on an entrepreneurial attitude [14] has a positive impact on the performance of workers, especially skilled labor [9], has a positive impact on competitive advantage of UMKM that has a core capability [3] [15]. Based on the problems as well as the relevant theory and previous research results, it is important to have a research on implementation of research results in the form of model of entrepreneurship in the form of training and assistance to craftsmen in woven-sarong center in Parengan, Meduran, Lamongan regency.

II. Research Methodology

This study used a flow study (fishbone diagram). This research was conducted using a Research and Development that modified Borg and Gall (2003) which consisted of: (1) The preliminary research, (2) designing the initial product, (3) expert validation and product revision, (4) try-out of small-scale and revision of the product, and (5) field testing in large scale and the final product. The population in this study were 50 groups of craftsmen in the center of weaving village, Parengan, Meduran, Lamongan regency. The data analysis used quantitative descriptive techniques in the form of a simple percentage, use of tables and diagrams. Model of entrepreneurship development with local economic development approach was described as follows.

Fig. 1 Model of Entrepreneurship Development with Local Economic Development Approach



III. Findings

1. Results of Validation

The results of the validation expert on product development consisted of two, which were entrepreneurship expert and learning experts. The results of each validation of expert are described as follows.

1.1. Results of Material Expert Validation

Table 1: Results of Material Expert Validation

No	Aspects	Average Score	Percentage of Achievement	Qualification	Descriptor
1	Content Feasibility	4,1	80%	Good	No need to be revised
2	Presentation Feasibility	4,4	94%	Excellent	No need to be revised
3	Language Feasibility	4,3	86%	Excellent	No need to be revised
4	Graphs	4,75	95%	Excellent	No need to be revised

From the average score of each aspect of the assessment showed good and very good categories. So in general the material in the model of an entrepreneurial approach to the local economy was already feasible and no need to be revised. It had a few suggestions from the validators. Suggestions and comments from material expert later to be revised without going back to the validation. Thus, the next step of learning model of social entrepreneurship based on local potential was validated by learning expert.

1.2. Results of Learning Expert Validation

From the average score of the assessment of each aspect showed diverse categories ranging from enough, good, and excellent. Aspects of conformity model with the needs of learners and the quality aspects of the design of learning strategies qualification were enough, so that the model of an entrepreneurship approach to local economic needs revision by considering suggestions and comments from the validator. After model of entrepreneurship with the local economy approach was revised, so the next step was to validate to the learning experts and the result is presented in Table 2 below.

Table 2: Results of Learning Expert Validation (Product Revision)

No	Aspects	Average Score	Percentage of Achievement	Qualification	Descriptor
1	The suitability of the model with the learning needs	4,7	95%	Excellent	No need to be revised
2	The completeness of the learning model	4,7	95%	Excellent	No need to be revised
3	The quality of learning strategy plan	4,6	92%	Excellent	No need to be revised
4	The usefulness of the learning model	4,4	90%	Excellent	No need to be revised

From the average score of each aspect of the assessment showed excellent category and had no suggestions and comments from the validator. So in general model of an entrepreneurship with the local economy approach already had no need revision again. The next steps entrepreneurship model was ready to be tried-out (experimental).

2. Try-out

2.1. Model Try-out

There were two stages in entrepreneurship model with local economic approach try-out in the group of weaving craftsmen in Parengan, Meduran, Lamongan regency. First, the researcher played an active role with bond woven-craft group manager and tutor to run a training program. In this case the researcher acted as a resource person and observer. This was done is to determine the suitability of the concept development and implementation model produced, and to investigate possible obstacles encountered in the implementation of the development of this entrepreneurship model. Second, the researcher acted as a monitor, meaning that the researcher was not directly involved in the implementation of learning. Learning implementation handed over to a group of weaving craftsmen and tutor. This was done to provide direct experience to a group of weaving craftsmen and tutors for the training implementation.

The try-out focused on two model groups of weaving craftsmen in Parengan, Meduran, Lamongan regency. It was based on the needs that exist in the environment to support craftsmen in training programs. The model try-out was done in 4 times with details are as follows:

2.1.1 Try-out 1/ experiment 1: Designing a bond woven-product with Lamongan's characteristic

2.1.2 Try-out 2/ experiment 2: Diversifying woven-products into a variety of forms (shirt, gallon cap, tablecloths, curtains, rug, and bed linen).

2.1.3 Try-out 3/ experiment 3: Packaging interesting products.

2.1.4 Try-out 4/ experiment 4: Marketing and business management.

2.2. Results of Try-out

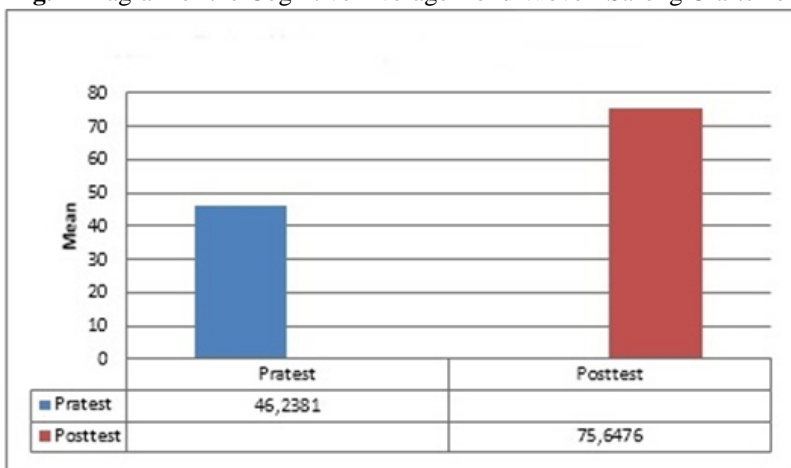
Evaluation and analysis of the results of experiments were conducted to determine the smoothness and the obstacles encountered during the implementation the model of entrepreneurship with local economic approach. Evaluation and analysis of the results of experiments conducted by the researcher and presenter through observation, observation, and interview. This was done primarily to determine the knowledge and practical skills in the field as well as a questionnaire to find out (cognitive and skills) learners and to determine the effectiveness of entrepreneurial model is implemented through pre-test and post-test. To see the effectiveness of this entrepreneurship model was viewed from two things: (1) Results of learning (cognitive), and (2) the efficiency and effectiveness of entrepreneurial model is implemented. The learning outcomes in the cognitive is presented in Table 3 below.

Table 3: Cognitive Skills of Bond Woven-Sarong Craftsmen

Statistics	Post-Test	Pre-Test
Mean	75.0476	46.2381
SD	8.219	5.621
Variance	67.552	31.596
minimal	57	35
maximum	89	57

From Table 3 above, it can be seen from the mean (average) of cognitive ability of crafters that there was an increase from the pre-test to post test scores which was from 46.2381 to 75.0476. The increasing can be seen in Figure 2 below:

Fig. 2 Diagram of the Cognitive Average Bond Woven-Sarong Craftsmen



The data showed that there was an average increase in cognitive skills of weaving craftsmen a result of entrepreneurship learning with local economy approach. This means that the average value increased by 28.8095. Meanwhile, if viewed from a minimum value or cognitive skills of weaving craftsmen at least there was an increase of 22 from 35 to 57.

The second aspect assessed on the effectiveness of the entrepreneurship model were the efficiency and effectiveness of entrepreneurship learning approach that included the local economy: the precision control of learned behavior, speed performance, conformity procedures, level of learning transfer, the quantity of performance and quality of results. While the efficiency included time, personnel, and learning resources. The results of the assessment of effectiveness and efficiency learning were presented in Table 4 as follows.

Table 4: Assessment of Entrepreneurship Learning Effectiveness & Efficiency

No	Aspects	Indicator	Descriptor	Average Score
1	Effectiveness	The accuracy mastery of learned behavior	The level of accuracy of the performance of the learners during the learning process	2.81
		The speed performance	Comparison of time required to complete performance of the learners with the results of performance	3
		The conformity procedure	The performance of learners in the learning process according to predefined rules	3
		The level of learning over the performance quantity	The successful achievement of learning objectives of each learning activity	3

			The number of performance resulting of learners in the learning process	2.58
		The quality of the final result	Quality work in the learning process	2.86
			The development of innovation in the learning program	2.5
Mean 2.82				
2	Efficiency	Time	Suitability mastery learning material with time provided	3
		Personnel	The number of students involved in learning needs	3
		Learning Source	Space used in the learning process	3
			The cost involved in the learning process	3
			Media used in the learning process	3
			Teaching materials used in the learning process	3
Mean 3				
Average Rate Effectiveness and Efficiency of Social Entrepreneurship Learning-Based Local Potential				2.904

Table 4 Results of assessment of the effectiveness and efficiency of learning showed an average score of 2,904 (almost high). This showed the entrepreneurship model with economic approach in terms of effectiveness and efficiency of learning included into the category more than enough or close to high. If viewed from the respective of each descriptor nearly 75% shows the high score was 3 means efficiency and effectiveness of the model of entrepreneurship learning to local economic approach had good category, while the lowest score was in innovation development indicators (2.5).

IV. Discussions

The nation's economy is significantly influenced by the creative industries in various sectors in the world nowadays. The creative industry is an industry that is derived from the utilization of creativity, skills, and individual talents to create wealth and jobs by generating and exploiting the creativity and inventiveness of the individual [6]. In Indonesia, there are a lot of creative industries in the form of Small and Medium Enterprises (SMEs). SME is a concrete manifestation of the "self-employed" by the lower strata of society which the existence is able to support the millions of victims of layoffs due to the decline of the national industry. Nevertheless, there are still obstacles in the sustainability of SMEs, one of which is the human resources (HR). In general, human resources (HR) of SMEs in Indonesia have good skills but for knowledge (cognitive) related to the development of enterprises is still low. This is because the level of education of each of SMEs is still relatively low. One potential SME yet still constrained by the human resources (HR) is a group of craftsmen in the Parengan, Meduran, Lamongan-East Java.

The development of an SME is not enough only on the capabilities of course, but also needed superior resources. This is in line with the opinion of Day & Wensley that there are two factors that could affect the company's efforts in order to create their competitive advantage, namely: Superior Capability and Superior Resources [[4] [8]. The opinions are supported by Ferdinand which stated that based on the resource-based theory, the essence of competitive advantage is a unique combination of resources and capabilities. Meanwhile, to perpetuate the competitive advantage, the company should have the resources and typical capabilities (company specific) [7].

The sarong craftsmen group in Parengan, Meduran Lamongan-East Java had a good capability but to create competitive advantage it must be balanced with their superior resources one of which is the human resources (HR). One strategy that can be used to create a competitive advantage in the development of entrepreneurship is by using the local economy approach in the form of training and assisting. In this study, the development of an entrepreneurship with to the local economy approach in the form of training and guidance developed for 50 groups of weaving craftsmen in the village Parengan, Meduran, Lamongan-East Java. The result of implementing this model of entrepreneurship development showed that the model of entrepreneurship development with local economic approach was effective.

The effectiveness of this model was shown on the first two aspects, namely from the results of learning (cognitive) and the second was shown on the efficiency and effectiveness of entrepreneurial model is implemented. Learning outcomes in this study include cognitive and skills. In the process of implementing the model, the groups of craftsmen received intake of knowledge from various sources covering entrepreneurship-related knowledge both theoretically and empirically. It was very helpful for craftsmen in widen their knowledge, in addition the approach used as prior knowledge is not only theoretical but also empirical. As it was known that a person would remember more of what they learned when they can imagine what was going on and were directly involved in the world of learning.

In addition to their cognitive training, there was also training in particular skills of weaving product diversification. This will lead to the group of weaving craftsmen to be more creative and innovative. This

showed that during their training and assisting of entrepreneurial attitude of the weaving craftsmen began to appear. This is in accordance with the opinion of Bygrave that an entrepreneurial attitude (entrepreneurship) appears if someone dared to develop businesses and new ideas [2]. The development of entrepreneurship model in weaving craftsmen group did not stop at the training, but there was a continual assistance to the management and marketing of products. Training and assisting that went on continuously will certainly affect the cognitive and skill of the weaving craftsmen. Li and Liu stated that the development of an entrepreneurship using the local economy approach had a positive impact on the performance of workers in particular work skills [9]. So the model of entrepreneurship development with local economic approach can improve learning outcomes (cognitive and skills) of the weaving craftsmen in Parengan, Meduran, Lamongan-East Java

The development of entrepreneurship model with local economic approach was effective and efficient with good category. It is shown from the results of the implementation of the model of entrepreneurship development, the craftsmen weaving has experienced an increase in both aspects of effectiveness and efficiency. Based on the effectiveness aspect, it is indicated that the weaving craftsmen has been able to show the work in accordance with the procedure and in the targeted time. In addition, the weaving craftsmen had also been able to achieve the learning objectives of each activity and to develop innovation in the learning program. It is viewed from the aspect of efficiency, including time, personnel, and learning resources indicated that these three things reached good category. Time, space, cost, media, teaching materials were provided suited with required for mastery of the craftsmen. So the model of entrepreneurship development with local economic approach has been effective and efficient.

The development of entrepreneurship model with local economic approach which packaged in the form of training and assisting can be successful. This entrepreneurship model was able to train the ability of the weaving craftsmen in exploring thinking strategy in the formation of the business strategy. This is shown from the results on the aspects of effectiveness. As it is known that in general, most SMEs are a family business that is hereditary. Patel et al stated that the family business has significant advantages and resources that can facilitate global expansion and create a successful business [10]. To survive and thrive in the competitive environment due to the process of liberalization and globalization, SMEs must develop strategies [13].

According to Indonesian Dictionary (KBBI), strategy is the science and art of using all resources to implement certain policies [11]. Strategies in the business world do not necessarily instantly created and executed, the businessman must have a broad knowledge of the business world so that strategies are made to boost its business to be more developed. Patel et al also said that the strategic option requires strategic thinking and a different process [10]. During training and assisting, the craftsmen weaving had experienced a considerable increase in the mindset especially in the subject of strategy. The strategy in the science definition is the existence of clear increase evidence which had been described from the aspect of effectiveness and efficiency. Strategies within the meaning of art is synonymous with how people explore their knowledge to find a strategy and execute strategy. During the process of training and assisting, that the weaving craftsmen has been apparent able to make a logical and conceptualized business strategy. This is showed that in terms of the effectiveness of the model of entrepreneurship with local economic approach was effective.

From the research described above, it is showed that the entrepreneurship model with local economic approach that was packaged in the form of training and assisting was effective to implement

V. Conclusion

- 1.1. Product development in the form of a model of entrepreneurship with local economic approach developed using a participatory model of ten steps. Product development had been through a validation process of two experts (material experts and learning expert) which both showed a high score with excellent qualifications.
- 1.2. At the model try-out with 4 times the experimental, the aspects considered were cognitive (pretest and post-test) and assessment of the effectiveness and efficiency of learning. The second result of the assessment showed high scores.

References

- [1] Blakely, E.J., *Planning Local Economic Development: Theory and Practice*, Second Edition (London: Sage Publication, 1989).
- [2] Bygrave, W.D., *The Portable MBA, Entrepreneurship*. Terjemahan Diah Ratna Permatasari (Jakarta: Bumi Putra Aksara, 1995).
- [3] Chew, DAS., Yan, S., Cheah, CYJ., Core Capability and Competitive Strategy for Construction SMEs in China, *China Management Studies*, 2(3), 2008, 203-214.
- [4] Day, George dan Wensley, Robin, Assessing Advantage: A Framework for Diagnostic Competitive Superiority, *Journal of Marketing*, 52, 1988.
- [5] Depkop dan UKM, *Penumbuhan Klaster Agribisnis dalam Sentra UKM*, http://www.smecda.com/kajian/files/hslkajian/kajian%20efektivitas/bab_6.pdf, 2003.
- [6] Departemen Perdagangan Republik Indonesia, *Studi Industri Kreatif Indonesia 2007* (Jakarta: Departemen Perdagangan RI, 2007).
- [7] Ferdinand, Augusty, *Sustainable Competitive Advantage: Sebuah Eksplorasi Model Konseptual* (Semarang: Badan Penerbit Universitas Diponegoro, 2003).

- [8] Hoffman, Nicole P., An Examination of the Sustainable Competitive Advantage Concept; Past, Present and Future, *Academy of Marketing Science Review, Vancouver, 2000*, 2000, 1.
- [9] Li, Z. & Liu, Y., Entrepreneurship Education and Employment Performance: an Emperical Study in Chinese University, *Journal of Chinese Entrepreneurship*, 3(3), 2011, 195-203.
- [10] Patel, V.K., Pieper, T.M., Hair, J.F., The Global Family Business: Challenges and Drives for Cross-Border Growth, *Journal of Business*, 55, 2012, 231-239.
- [11] Setiawan, E., *Kamus Besar Bahasa Indonesia Offline Versi 1.1*, (<http://ebsoft.web.id>), 2010.
- [12] Sholikhan & Churiyah, M., Pengembangan Model Kewirausahaan dengan Pendekatan Ekonomi Lokal di Sentra Tenun Ikat, *Laporan Hibah Bersaing tahun pertama*, LPPM Universitas Kanjuruhan, Malang, 2014.
- [13] Sharma, G., Do SMEs need to strategize?, *Journal of Business Strategy*, 12(4), 2011.
- [14] Sowmya, D.V., Majumdar, S., & Gallant, M., Relevance of Education for Potencial Entrepreneurs: an International Investigation, *Journal of Small Business and Enterprise Development*, 17(4), 2010, 626-640.
- [15] Toppinen, A., Toivonen, R., Tatti, N., Sources Of Competitive Advantage In Woodworking Firms Of Northwest Russia, *International Journal of Emerging Markets*, 2(4), 2007, 383-394.