

# **Entrepreneurship Potential for Small and Medium Micro Enterprises in Batam**

Shinta Wahyu Hati<sup>1)</sup>, Ely Kartikaningdyah<sup>2)</sup>

Department of Business Management- Batam State Polytechnic, Batam, 29461, Indonesia  
shinta@polibatam.ac.id;ely@polibatam.ac.id

## **Abstract**

Department of Labor in Batam have empowerment programs to tackle unemployment in the form of entrepreneurship training in self-employment. Self-employment is the entrepreneurs and aspiring entrepreneurs Small Micro Medium scale enterprises. The hope after participating in entrepreneurship training will be ready to be an entrepreneur. In the course of this entrepreneurship training instructors conduct tests to determine the character of potential entrepreneurs who will be fostered by the Department of Labor. Test results showed that 29% have a very Strong, Strong 52%, 12% fair, 7% Below. Test the potential of entrepreneurship is given at a series of entrepreneurial training. Each activity of participants as many as 20 people and the training already performed 5 times, so overall 100 participants who already take the test potential wirausaha. Hasil test this potential can be used as identification and advice to the Department of Labor in understanding the character and skills in managing the business of surrogate entrepreneurs

Keywords: Entrepreneurship, Micro, Small and Medium Enterprises

## **Introduction**

Availability of employment in Indonesia is not proportional to the increasing number of population in the productive age each year, in line with the ASEAN Economic Community to force the government to clean up and prepare policies that lead to and increase resource utilization and competitiveness. The competitiveness of a country that is very important is the micro small and medium enterprise sector and the government paid special attention to small and medium micro enterprises that the government provides support and protection of small and medium enterprises through the Law of the Republic of Indonesia Number 20 of 2008 on Micro, Small and Medium Enterprises. The role of small and medium micro enterprises such as a strategic driver of economic growth, is able to increase the income of local communities, in addition to small and medium businesses can create jobs, and contribute to the national income (GDP). Based on data from the Indonesian Ministry of Cooperatives and SMEs in 2012 that the SME sector contributed about 59.08% of Indonesia's GDP of about 528.7 billion USD and absorb 97.16% of the workforce - 107 million workers. (Ministry of MSME)

Government and Stakeholders in Indonesia has a responsibility and a contribution to support the performance of small and medium businesses, micro small and medium businesses are entrepreneurs or entrepreneurs should be supported and facilitated so that the entrepreneurs can manage their business independently. Support can be in the form of financing and capital, information technology, increase entrepreneurial competence of human resources, as well as policies that contributed towards improving the quality

of the performance of small and medium micro enterprises. Appropriate measures and efforts should be made by the government and entrepreneurial community is to grow and enhance the entrepreneurial spirit among entrepreneurs and aspiring entrepreneurs of micro small and medium enterprises through 1). Formal education curriculum is almost at a public high school, vocational high schools and colleges there are subjects and subjects of entrepreneurship 2). Training and seminars through entrepreneurship and entrepreneurial workshops. In the course of this Illmiah forum brings experts from practitioners and academics to train prospective employers or employers 3) Facilitation effort is made to improve the performance of micro-entrepreneurs in managing small and medium businesses that there is value-added and business networks.

Developed countries can be said when the entrepreneur as much as 2%, but in Indonesia has not reached 2% and the number of entrepreneurs in Indonesia is around 1.65%. The amount is still lagging behind its neighbors Indonesia, Singapore and Malaysia which amount above 2%. Therefore, the Indonesian government is targeting 28,000 entrepreneurs to catch up with Singapore and Malaysia by moving the alleviation of unemployment and socialization of employment within and outside the State. One of the targets to be realized Ministry of labor is the creation of entrepreneur is one solution to reduce the level of unemployment. Entrepreneurial considered able to create jobs for themselves and can open up opportunities employment opportunities for others. One work program has been carried out under the Ministry of Labor workforce is self-empowerment program implemented by the Department of Labor Batam. Department of Labor has made empowerment in the form of self-employment training for employees of companies that have terminated the employment relationship with the perusahaan. Selain labor offices also provide training for small micro entrepreneurs with the hope to increase business performance.

Training is an activity that is done to improve the performance of current and future ( Mondy and Noe in Suhartono and Raharso, 2003). Schuler et.al in Anju (2004 ) to formulate the training into three phases, namely integrative assessment phase , implementation phase and evaluation phase. Turker & Selcuk (2008) shows that entrepreneurship education and structural support in the form of collaboration from all sectors of society influence someone to entrepreneurship. Wennberg and Berglund (2008) also resulted in the strong influence between creativity ( creativity ) and entrepreneurial intentions .

### **Purposes**

To identify potential participants entrepreneurship entrepreneurship training organized by the Department of Labor Batam

### **Research methods**

The method used in this research is descriptive quantitative research methods. According Nawawi (2003 ) method descriptive research methods that focus on the problems or phenomena that are current at the time the research is done , then describe the facts of the matter being investigated as it is accompanied with a rational and accurate interpretation .

### **Data**

The data used is data Primary data . Primary data According to Umar (2008 ) primary data is the data obtained from the first source either from an individual or individuals as

a result of interviews or the results of filling the questionnaire is usually done by researchers. Data obtained from the questionnaires trainee.

### Samples

Samples were participants entrepreneurship training organized by the Department of Labor Batam. Samples taken are as many as 100 people . The number of samples taken from entrepreneurial training activities from 2014 to 2015 .

### Operationalization Research

To know and identify potential entrepreneurs entrepreneurship training participants . Researchers gave the test in question. Test given is the test potential entrepreneurs who adopt from Boulton and Touner

### Results and Discussion

Table 1 Age

No	Age	Frequency	persent
1	18-22	8	8%
2	23-27	19	19%
3	28-32	22	22%
4	33-37	34	34%
5	38-42	11	11%
6	>43	6	6%
		100	100%

Trainees is on average still produkti are aged between 28-32 years were 22 % and 34% age 33-37, age 23-27 the remaining 19% . The age of the participants of the average entrepreneurial training is still young and productive . Productive age is the age most suitable and appropriate to start entrepreneurship . Productive age were deemed to be able to face challenges and is able to capture business opportunities

Table 2 Gender

No	gender	Frequenc y	persent
1	Man	43	43%
2	female	57	57%
		100	100%

The training participants were women average by 57% , while men only 43%. The total population of women in Batam indeed many, they themselves intend to entrepreneurship before their average working as an operator at a manufacturing company. Age for female productivity in manufacturing companies between 18-30 years old. But on average women stopped working as well as on the company's employment contract has been completed. Motivation women work is to help the family economy. The results are consistent with the Hati & Ira ( 2014 ) motivation of women to work because they want to earn extra income and help the family economy .

Table 3 Working Status

No	Status	Frequency	percent
1	not yet	12	12%
2	Worked	88	88%
		100	100%

Participant status is worked as much as 88 % and has never worked as much as 12 % . Batam city is a city of industry, and includes the area that is growing. Many people come to the city of Batam as a job seeker . Can be concluded that the average living in Batam is still of childbearing age and never worked . Respondents who have worked an average of those who have recently graduated junior high school or vocational school level . Respondents who have not worked is the housewife who started going to help her husband work the way entrepreneurship. Respondents who had worked was on average they had worked into force operator or employee contract.

Table 4 Potential Test Results

No	Category	Frequency	percent
1	110-140(very Strong)	29	29%
2	85-109 (Strong)	52	52%
3	55-84 (Fair)	12	12%
4	54 or Below	7	7%
		100	100%

The test results showed that the respondents WITH 110-140 Value has Character Personality Extremely POWERFUL by 29 % , the test results showed respondents WITH 85-109 Value Character Personality STRONG by 52 % . While respondents WITH findings have 55-84 characters Enough regular OR Only by 12 % . Respondents have less characters by 7%.

Being a businessman should have the courage in facing the challenges and risks. No exception is the participants who were recruited by the Department of Labor to be built with the business incubator. The hope after following them will didampingan entrepreneurship training in entrepreneurship. The effort will be run by the participants are micro-enterprises. Criteria for Micro, Small and Medium Enterprises has been regulated by law No. 20 of 2008. Definition of Micro, Small is productive business opportunity belonging to an individual or an individual business entity that meets the criteria of micro businesses as stipulated by law. Small businesses are the chances of productive economic activities that stand alone, carried out by an individual or business entity that is not a subsidiary or not branches of companies owned, controlled, or be a part either directly or indirectly from medium or large businesses that meet the small business criteria as defined in the legislation. Criteria Micro has assets of up to Rp 50 million.

The business scale micro entrepreneurs are no exception is the trainee must be prepared by a variety of risks and challenges of entrepreneurship . They must strive to change the mindset that their livelihood is working as an entrepreneur. An entrepreneur must have the creativity , innovation and foresight as well as be able to identify the business opportunities surrounding ( McMillan , 2013 )

The test results into suggestions for potential entrepreneurship Tenga Department of Labor that the characters become entrepreneurs should be formed through a change of mindset and mentoring. Office workers can also identify participants who had a strong personality and a look at the ability of participants to communicate to grow the business, responsible, ability to make decisions, able to take the initiative in running the business. Strong and not easily discouraged. The ability of employers to maintain health in order to withstand the challenges and competition . Besides the ability to lead the business and directing resources should be a concern as well as by the Department of Labor.

Character for the self-employed are also formed from the intensity of assistance that can increase performance in entrepreneurship and sustainable. Assistance is part of the external motivation entrepreneurs should always be done by the Department of Labor . The biggest motivation of self- entrepreneurs to come forward and have pandangan forward that entrepreneurship is a job that can improve the economic welfare even though a lot of risks and failures that will be encountered. Entrepreneurship motivation according to Ira and careful study ( 2013 ) that affect the interest of internal motivation for entrepreneurship

### **Conclusion**

The ability and character of entrepreneurship trainees who are micro entrepreneurs who have a very strong character and strong . The potential of entrepreneurship character should continue to be trained to be ready to face challenges and competition

### **Recommendations**

1. The test results can be early identification of potential programs and coaching empowering microentrepreneurs
2. Results of the potential of entrepreneurship can be used as a guideline in business assistance melaukan
3. The results of the potential of entrepreneurship into guidelines for program administration support in improving business performance

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