

SOCIAL ENTREPRENEURSHIP IN MSME DEVELOPMENT

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Abstract:

The creative industry through community-based industry on the scale of MSMEs, has developed quite well. The creative industry has the opportunity to continue to increase, because the industry is responsive to absorb the accumulation of social phenomena in society and pour it into the context of products and services. The problems faced by MSMEs are still homework, the problems include fulfilling the market aspect, which is caused by the availability of the goods produced. This study aims to obtain problem information and the right solution approach in answering the existing problems. The results of the study indicate that the problem of human resource availability can be done with alternative solutions in the form of a social entrepreneurship approach with the involvement of the community around the industry

Keywords: Creative Industries, MSMEs, Human Resources.

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INTRODUCTION

The existence of a business entity is influenced by several factors, including the continuity of production to meet market demand. This also applies to micro, small and medium scale industries or commonly referred to as MSMEs. The industrial sector production process requires several inputs including human resources as labor where human management is the most important asset for the company (Diana, 2015). The existence of these human resources is an important part that can support the sustainability of a business as in small industries (Lukiana & Sulistyan, 2021). In the MSME industry, human resource inputs will not only have an impact on increasing the amount of production, but this will also have an impact on improving the welfare of the employees themselves. So that the existence of MSMEs actually also plays an important role in efforts to improve the welfare of the community, especially the surrounding community who are involved in the industry. MSMEs have an important role in efforts to lift the community's economic sector, where Micro, Small and Medium Enterprises are not only in the absorption of labor and community welfare in the region, in many ways they become the glue and stabilize the problem of social inequality (Elfianto, 2016). The concept of development with a community-based approach can be one of the ways used by the MSME industry in developing its business. This method is a form of community empowerment (Sulistyan, Setyobakti, & Darmawan, 2019).

The creative industry in recent years has developed quite well, this provides fresh air on how this sector is able to have an impact both socially and economically. The creative industry has the opportunity to continue to increase, because the industry is responsive to absorb the accumulation of social phenomena in society and pour it into the context of products and services (Gunawan, Katili, & Lestari, 2017). Capturing social phenomena, especially in seeing the gaps in

the surrounding community over poverty that occurs, with the involvement of the community is a form of replication of the concept of social entrepreneurship. Entrepreneurs don't just make business opportunities for themselves, but how can they invite others to join and get benefits, such as additional income or income. Concepts related to the creative industry have begun to be developed in several areas, such as in Lampung (Palupi, Nusantoro, & Septiani, 2021), Banyumas (Rosyadi, Haryanto, Kusuma, & Fitriah, 2020), Banyuwangi (Anoegrajekti et al., 2021; Sulistyan & Paramita, 2021), including a small town in Lumajang (Lukiana & Sulistyan, 2021; Setiyo, Paramita, & Sulistyan, 2021). One example of this phenomenon is what happened to a creative MSME industry in Jatisari village, Lumajang Regency, East Java. This industry has been around for about five years. The field being worked on is the creative sector of making synthetic rattan woven. Marketing of the product is relatively no problem, because it is able to market to outside the region. In its development there are actually obstacles in providing products, which have not been able to fulfill due to the limited number of products produced.

This condition occurs because of the capital factor and the limited number of employees. Business owners On the other hand, there is potential for community groups, especially mothers, who can become business partners, by being involved in production activities. This partnership model is being built by entrepreneurs in developing their business.

MSME Creative Industry

MSMEs are a small and medium-sized micro-scale industry sector. There are several definitions that are conveyed by both experts and official government agencies. The Central Statistics Agency (BPS) provides a definition of MSMEs based on the quantity of labor. Small businesses are businesses that have a workforce of 5 to 19 people, while medium-sized businesses are businesses that have a workforce of 20 to 99 people. According to the Ministry of Finance, based on the Decree of the Minister of Finance No. 316/KMK 016/1994 dated 27 June 1994 that Small Businesses as individuals/business entities that have carried out activities/businesses that have sales/turnovers per year are as high as Rp. 600,000,000 or assets (assets) of a maximum of Rp. 600,000,000 (excluding land and buildings occupied). The definition of small business according to Law no. 20 of 2008 concerning Micro, Small and Medium Enterprises in article 1 are productive economic businesses that stand alone, which are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled or become part, either directly or indirectly. directly, from medium or large businesses (Nasution, 2017). Paying attention to the definition above, that in essence the MSME industry sector in the micro, small and medium scale is managed independently with certain turnover limits. The creative industry is an industry based on creativity with the development of potential either based on culture, tourism or certain potentials. This industry explores innovations that are carried out in responding to market needs by paying attention to the potential they have. Creative industries on the MSME scale are currently emerging, showing that ideas, ideas or innovations among the community are very developed (Larassaty, 2016).

Social Entrepreneurship

Social entrepreneurship is a form of integration between the entrepreneurial spirit and social aspects of society. The development of a social entrepreneurship ecosystem in the midst of society in Indonesia is currently one of the models that are expected to overcome social inequality in society. Previous studies stated that developing a social entrepreneurship ecosystem that puts forward innovation and collaboration is one of the solutions needed to overcome social problems that occur in the midst of Indonesian Islamic society [8]. The implementation of the social entrepreneurship model is starting to bloom in the community, especially among social activists. Social entrepreneurship is one of the solutions needed to overcome social problems that occur in Indonesia [9]. In the field of small industrial business, this is also the case, especially for entrepreneurs who also double as social activists in their area. Where the business activities

carried out remain profit oriented but also take into account the aspect of involving the surrounding community in their business activities as stated by (Setyobakti, 2017), that the existence of village economic institutions such as Bumdesa, also prioritizes social aspects

METHODS

This type of research uses a qualitative approach with a case study model. We used the method of active participation and were involved in the research process. This study seeks an answer to a phenomenon that occurs in connection with the implementation of MSME industry activities in the creative industry of synthetic rattan Dfanda Rattan, Jatisari village, Lumajang district, with the application of a social entrepreneurship approach in its activities. The approach is to describe the problems and solutions faced by the entity. The resource persons in this study are the owner and director of MSMEs and community representatives, namely the group of mothers who are around the industrial location.

RESULTS AND DISCUSSION

Dfanda Rattan is a home industry that is included in the MSME category. The focus of its activities is on the creative industry of handicrafts made from synthetic rattan. The business was established in 2016 and received a business license from the trade office in 2018. The location of the rattan dafnda business is located in RT 04 RW 01 Jatisari Tempeh Village, Lumajang. The average production volume is 30 items per month, with an average monthly turnover of 30 to 50 million. The market reach includes Lumajang and neighboring districts (Jember, Probolinggo, Bondowoso, Banyuwangi) as well as across provinces, namely Bali and Sumatra. This effort involved 10 workers, consisting of local village youths. Demand for goods has increased, only market fulfillment is limited to a production capacity of 30 units of goods.

There is a disparity between market demand and the fulfillment of Dfanda Rattan, causing the level of confidence in the sustainability of the market to decrease. This problem is actually caused by limited production capacity, due to a lack of trained personnel and capital. This is as stated by Wahyudi "Currently we are a bit overwhelmed to meet market demand, because our production capacity is limited, our current obstacle is the lack of capital and skilled labor". Based on the interview, the problem in managing activities is in the market aspect which comes from the availability of human resources. For the business sector, there is an integration between sales and production plans, especially for companies engaged in manufacturing. Three components that become inputs in manufacturing activities are materials, labor and tools. Human Resources are important inputs in the production process. Good HR input will produce good output. Considering that humans themselves as factors of production, like other production factors, are inputs that are processed by the company and produce outputs. New employees who do not have the skills and expertise are trained, so that they become skilled and expert employees. If he is trained further and given experience and motivation, he will become a mature employee. This human resource processing is called Human Resource Management.

Based on the problems listed above, in simple terms, the solution approach is to provide competent production employees. The problem is how the supply of labor or employees is obtained properly while still prioritizing the existing social aspects, given that there are still problems of community inequality around the business location. The results of the interview with the owner of the production, Wahyudi stated, "Currently our problem is human resources, but we want skilled, ready-to-use human resources". Wahyudi further said, "Actually, we want to optimize the potential of mothers and mothers around our business location, because on the other hand, in order to provide benefits to them, at least increase income for the family, I think direct community involvement or not will be able to maintain together with the continuity of the place of business.

Statements from informants indicate that if you use labor from groups of women around the location, it will provide benefits. This is in accordance with the concept of entrepreneurship in

the perspective of community empowerment. The pattern of skill improvement can later be provided through practical training and business management. This is in accordance with the results of research that the social entrepreneurship approach is able to provide a social impact and a sense of belonging to the program being run (Suharyono, 2017) and social and economic aspects are able to have a positive impact on the sustainability of a business (Setyobakti, 2017). As revealed by the informant, Bapak Wahyu that "In my opinion, the model developed is a partnership between business owners and women's groups. The trick is the provision of training and capital of materials and tools. This pattern is in accordance with what is expected by the surrounding community, Mrs. Sumiyati, one of the representatives of the mothers' group, stated "I and my friends hope that there will be entrepreneurs who provide additional work for us, so that we can increase our family income. materialize soon.

Based on some of the explanations above, the concepts built in the development of MSMEs, especially Dfanda Rattan are as follows;

- a. Recruiting mothers around the location who are still in their productive age
- b. Organizing mothers' groups as partners
- c. Provide adequate training supplies
- d. Provide capital materials and tools to partners through groups
- e. Make operational standards of work and results
- f. Collect and buy group results

These stages are designed as an effort to answer the problems of the Dfanda Rattan industry while at the same time providing a solution for the social gap that occurs around the industrial location. So that there is a symbiotic mutualism between entrepreneurs and the community.

CONCLUSION

The MSME creative industry is one of the drivers of the country's economy. The direct impact also contributes greatly to efforts to show the uniqueness of a product that is innovative and creative. The sustainability of the MSME sector is expected to continue to grow. However, it is not without problems, including the factor of resource availability. An entrepreneurial-based solution approach is one way to minimize the problems that occur. It is this model that is expected to continue to be replicated elsewhere, with some existing modifications, so that in the future the problem of disparity in the development of MSMEs can be resolved.

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