
The Strategy of Independent Entrepreneurship Management

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Abstract:

This research aims to understand and describe strategies employed, such as groups of entrepreneurship in the empowering-community-based development, on the empowered communities.

Methods applied were field observation and the qualitative approach; the data were displayed in the form of narratives and were analysed by employing a descriptive qualitative method. Furthermore, the subject involved (1) community and entrepreneur, and (2) stakeholders related to the entrepreneurship activities.

The data were collected from the head and secretary of Libuo sub-district, NGOs, the head of Duingi district, and the administrative coordinator of Duingi. This was conducted through observation, interviews and documentation.

Three indicators were applied in observing the strategy of independent entrepreneurship management in Libuo sub-district. These are (a) general description of the characteristics of entrepreneurship, (b) the entrepreneurship management, and (c) the strategy of such management.

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1. Introduction

Unemployment issues have been the foremost concern today's government has had to cope with, and therefore, a breakthrough and solutions are urgently required. Providing jobs for the unemployed is among the keys to solve such a problem; developing productive model villages is a perfect example for rural areas. This is to encourage the entrepreneurship within the community. Ultimately, this independent action enables people to gain benefits from natural resources of their village effectively as well as developing the human resources.

An independent sub-district or village is able to support its community through the empowerment programme by the entrepreneur groups. This promotes principles of a successful entrepreneur, such as to act innovatively, to take risks, and to develop and manage an organisation. The community will gain the sense of subtlety, creativity, and risk-taking capacity throughout the process of becoming an entrepreneur. Also, this will equip people with the ability to take advantage of the aspects of production, promotion, and finance in the development of their business. Imagination and creativity are, however, required since risks are inevitable if one starts to run a business and if they aim for a successful outcome.

To raise the success rate of the empowerment programme, improving the quality of entrepreneurship is necessary. This also means increasing their own source of revenue of an area through encouraging programs, i.e., the micro, small, and medium enterprise programme.

Effective strategies are to be established by stakeholders by encouraging an independent entrepreneurship within a community. The local administration has the responsibility to manage the entrepreneurship in a city area based on the regulation, policy, and structured and systemised procedures of operation. For the local independent entrepreneurship specifically in sub-district areas, such attempts previously explained should be regulated by one group well-known as UMKM or a group of an entrepreneur.

In Gorontalo city, there is a need for conducting a workshop to improve UMKM, especially in the Duingi district. This is because of the issue of education of the entrepreneurs. Senior high graduates dominate the population of entrepreneurs while others, i.e., elementary or secondary graduates and even uneducated people are also present. This leads to a poor understanding of the concept of entrepreneurship. Moreover, entrepreneurs are likely to experience financial problems while there is an excessive number of demands from customers. Limited information and access to technology, related platforms, and marketing network also effect the productivity of the business, despite the abundant natural resources. These aspects are blamed for the impact on other elements, i.e., human resource, capital, financial access, and promotion in advance of the entrepreneurship.

The development programme emphasises the three aspects as follows: a) the availability of the venture capital; b) a thorough understanding of products involves, materials, production or manufacturing process, and marketing techniques; and c) market players. These indicate that each market player had a partnership in marketing its product and therefore, the market player can be classified as an independent entrepreneur. From these considerations, this study focuses on exploring the strategy of independent entrepreneurship management in Libuo sub-district, Libuo district, Gorontalo city.

2. Literature Review

Entrepreneurs are required to always come up with a good strategy in developing their business. On top of that, this enables people with the poor educational background to manage their business despite the lack of competence and theoretical knowledge of entrepreneurship. This is because they can be independent through their creativity and innovation (Thomas and Mueller, 2000).

Management refers to some activities that aim to develop organisations as a socio, economic, and technical system. A person is technically a manager because he or she manages all aspects, whether individual or family, in their life, to fulfil their family needs or the realisation of objectives (*self-management*).

Management skill serves several functions like: (1) planning, (2) organisation, (3) coordination, (4) briefing, (5) motivation, (6) communication, (7) leadership, (8) insurers, (9) risk-taking and (10) supervision or control.

According to a theory by Danish and Usman (2010), a person whose duty mostly deals with management activity can be addressed as a manager. Indicators of the strategy of management involve (1) planning, (2) organising the creativity of business, (3) independent leadership, (4) promoting innovation, (5) risk control, and (6) effective communication.

The term “entrepreneur” has a similar meaning to the term “entrepreneurship”; it refers to the bravery, studiousness, and seriousness embedded in people in fulfilling their needs and in solving problems by themselves.

Alma (2009) defines the word “entrepreneurship” as a skill to act creatively and innovatively as a grounding and resource to find and to take advantage of opportunities to be completely independent and fruitful. To put it simply, entrepreneurship is an effort to create a breakthrough as a result of creative thinking and innovation in promoting an independent and well-structured entrepreneur.

An independent entrepreneur is a person who establishes creative and innovative acts by developing ideas and profits from human and natural resources to grab the

chance to shape their life better. Steinhoff and Burgess (1993) break the characteristics of the entrepreneur into nine as follows: (1) Possessing a high self-confidence from hardships, independent work, and understanding the risk to aim for a successful goal. In addition, attributes such as calm, optimistic, having no fear of failures and a strong sense of belief to achieve targets are common to entrepreneurs; (2) Possessing a high sense of self-creativity, as well as the willingness and ability to find alternatives to realise targets through entrepreneurship; (3) Able to think positively in dealing with problems. This allows an entrepreneur to always find a chance and take advantage of it to run their business; (4) Possessing an output-oriented quality. In other words, having such an attribute enables an entrepreneur to not be afraid of failures and not give up easily. Instead, these challenge an entrepreneur to find a better solution; (5) Possessing a quality of being a risk-taker. Failures and risks are inevitable in the world of entrepreneurship. Thereby, someone is not likely to doubt if he or she wants to start a new business; (6) Possessing good leadership skills. Good leaders must always guide and solve the problems of their sub-ordinates. Blaming subordinates is not among the traits of a great leader; (7) Possessing original concept and fresh ideas to be applied in entrepreneurship activities; (8) Having a future-oriented sense to develop businesses; (9) Not afraid of challenges, self-conceptualise through realising ideas.

It can be inferred that the independent entrepreneurship management is an achievement of someone's effort in promoting innovation and cultivating creativity, improving human resources, and encouraging people to be independent in terms of entrepreneurs' prosperity.

Djafri (2016) reports that independence plays a major role in every challenge and problems in one's life; it directs people to head towards a successful goal. Elements such as effectiveness, excellence, and self-quality are common in the notion of being independent. Competent mastery, consistency, thinks and acts creatively, better self-control, and commitment are signs of the independence of a person. These aspects are necessary to integrate into learning to gather information and thus improving the quality of human resources particularly their knowledge. Furthermore, these stimulate the advance of independent entrepreneurs in terms of their competence, creativity, self-control, consistency, and commitment to self and other stakeholders.

3. Methods of Research

Methods applied were field observation and qualitative approach; the data were displayed in the form of narratives and were analysed by employing a descriptive qualitative method. Subjects of research were (1) community and entrepreneurs, (2) stakeholders related to the entrepreneurship activities. The data were collected from the head and secretary of Libuo sub-district, NGOs, the head of Duingingi district, and the administrative coordinator of Duingingi. This was conducted through techniques, such as observation, interviews, and documentation.

4. Results and Discussion

4.1 General description of the characteristics of the entrepreneurship in Gorontalo province

The data from the Statistical Office of Gorontalo province reports that the percentage of unemployment in this province is 18.16 percent as at September 2014. There is a rise in the growth of the entrepreneurs population in the province, from 20% to 35%. This is from the data of 569 entrepreneurs with 482 males and 87 females; this focuses on four small artisan enterprises and one medium enterprise. Most of the businesses have been established for ten years while the only medium entrepreneurship is in its 25th year. All five businesses have been manufacturing their products continuously, participating in several industrial events with its uniqueness and variety of difficulties in the production. This is also based on the field of expertise or skill.

In the interview, the head of Libuo sub-district reports that: “Karawo embroidery is reputable for its turnover since the business is passed from the generation of the elderly. This is a part of the heritage of our ancestor because people preserve its presence and Karawo is an icon of several traditional events of Gorontalo people, i.e., marriage and others. A high demand of Karawo is the reason for its sustainability. This also promotes prosperity and economic condition of our people”.

“Running a bakery is still a desirable alternative for most people. It is not that difficult to find ingredients to bake bread, and you can buy it for a low price, the process is quite simple, and it is straightforward to sell because everyone loves bread. However, this food is among foods that spoil the fastest, so it is tricky to sustain this business. Those who run a bakery must be concerned with the consumption rate of a community before determining the production rate”.

Business uniqueness is based on the owner practices with the co-workers. It is related to the study conducted by Ahmed et al. (2006) that leadership is greatly affecting the relationship between the practice of strategic human resources management and employees’ creativity. Thus, the learning process of business products through the creativity level of each entrepreneur can develop the business. Nevertheless, some observed market places still depend on the fund credit from the bank and Community Development Board (BKM) from the village, so that the Small and Medium Enterprises (UKM) independence only reaches low position. For that reason, some entrepreneurs do not have precious assets, yet their equipment to support production is still deserved to be used, e.g. in sewing business sewing machine as well as rattan in furniture business. The characteristics of the informants (UKM) are described in Table 1.

Table 1. *Craft Business in Gorontalo City as the Informants*

| Business | Business Time | Business Scale | Workers | Income |
|-----------------|----------------------|-------------------------|----------------|---------------|
| Bread | 5 Years | Local | 8 | <15 Million |
| Brick | 6 Years | Local Building Material | 5 | <35 Million |
| Rattan | 8 Years | Local | 10 | <25 Million |
| Sewing | 7 Years | Embroidery | 10 | <25 Million |
| Furniture | 12 Years | Carving | 10 | <50 Million |
| <i>Karawo</i> | 25 Years | Embroidery | 10 | <65 Million |

4.2 Entrepreneurship Management in Gorontalo Province

Several problems encountered by the entrepreneurs in Gorontalo Province are described in this table:

Table 2: *Problems encountered by the entrepreneurs in Gorontalo Province*

| Number | Strengths | Weaknesses |
|---------------|--|---|
| 1 | Venture capital is provided by one person, group of individuals or institution | Lack of venture capital. Unprepared administration |
| 2 | National-Scale Production Promotion | Local Production |
| 3 | Human Resources (colleagues relationship: family, neighbour, do not know the relatives due to sociological bond) | Lack of Human Resources (recruitment process) |
| | | Creative and independent |

Based on the entrepreneurship management mapping in Gorontalo Province, the principal cause of entrepreneurship is the venture capital that determines the success of the business. However, the National and International promotions, as well as the factor of human resources, are also taking part in supporting the business itself. Jonshon and Noguera (2012) argues that an administrator can also result in good products with other values. In line with that theory, a manager should achieve a well-managed business by practically innovating new products and recruiting competent and credible employees. They also reveal that product innovation from company influence the dimension of knowledge management, and it is suggested for the company to practically get an all-duties worker to increase the product's efficiency. Nevertheless, it is also important to pay attention to the process of employees' recruitment by considering their competence, professionalism and skill.

The result of the interview to the Government of Dungingi Sub-district, Gorontalo City, shows that “the government has provided some equipment and venture capital for the entrepreneurs of Small and Medium Micro Enterprises (UMKM) in Gorontalo City through related institutions.”

Besides, the governance of Dungingi Sub district also claims that the entrepreneurs are trained every six months related to the institution’s program to improve their entrepreneurship competence and skill.”

A manager of UKM should: 1) be creative to improve the solidarity and the enterprise toward attitudes that make the society more creative, particularly in independent entrepreneurship; 2) Think creatively and innovatively in solving the problems of expansion and acquiring the access of management/accompaniment through skill training for the entrepreneurs; 3) Give a positive contribution by conducting a potential and productive activity for the UKMs through its management education since it can help families, regional and national economy. This is similar to Lusmino *et al.* (2016) who state that 66,7 percent of independent entrepreneurs can maintain their family’s economy. 4) Implement a community empowerment program to improve the quality of professional community service, competence and skill as its livelihood support. Therefore, the activities of transferring skills to the entrepreneurs include hard skills (providing material, technique comprehension, process of product creation, and the way of promoting and selling the product) and soft skills (training to be more creative in using natural products, mastering proper communication in promotion and selling, and tackling the risk of entrepreneurship).

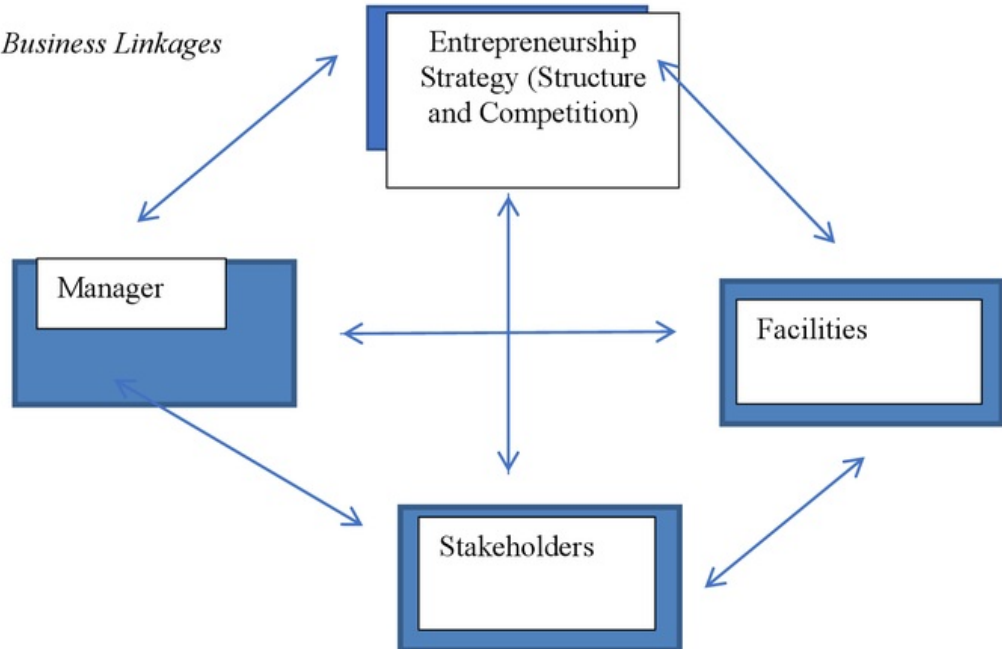
4.3 Strategy of Entrepreneurship Management in Gorontalo Province

Individual entrepreneurs in Gorontalo city have managed their strategy in which the system still counts on a micro scale. The problems, however, are in venture capital and equipment, so they usually reach low human resource and its corresponding low facility. This should be supported by the government, businessmen, and banks that can improve the strategy of entrepreneurship management in Gorontalo province. The scheme in Figure 1 explains the strategy linkages.

The most crucial thing in regional development is the role of entrepreneurship, so that the developed strategies through training, human resources, technical and intellectual guidance are: employees’ recruitment, welfare, income equity along with maximising the potential improvement. Consequently, it is required for the government, universities and UKM entrepreneurs to implement these strategies. Alongside providing financial support, it is also necessary to facilitate a loan and its marketing. In Gorontalo province, an entrepreneurship business can be easily accessed on social media, web site, mass media and others as claimed in

Constitution of UMKM, Number 20 in 2008 about the development of product marketing, human resources, design and technology

Figure 1. Business Linkages



UMKM can implement the results of Manager Strategy, including (1) planning activity; there are six programs in Libuo Village for improving the initial process of business that used to have private venture capital, yet the government recently supports it by funding distribution planning. Unfortunately, the government is not able to provide financial assistance for bigger business, rather this support should come from other stakeholders, and banks; (2) business creativity is well-organized due to the government's concern on the entrepreneurs' competence improvement through human resources; (3) independent leadership is in good shape since industrial and social boards can offer a service in terms of skill training to improve education capacity and independent leadership training; (4) innovative activity as a sub-district government's effort to increase solidarity and organisation activities. This is a good effort to give a positive contribution towards entrepreneurs' potential to be more innovative and work harder to develop their business; (5) risk tackling in which the entrepreneurs should be well-prepared to increase selling promotion. However, it only arrives at quite a good category because some entrepreneurs do not deeply understand risk tackling. Bread business, for example, has an excess product and loss in production; (6) effective communication gets low category since the entrepreneurs are graduated from senior high school and often ignore the interaction. On that ground, it is important to train them to sell the product by kindly communicating with the customers.

It is significant to improve the management of independent entrepreneurship of UMKM by improving the competence, creativity, self-control, consistency and commitment of the entrepreneurs.

5. Conclusion

Entrepreneurship activities are helpful to the level of society's welfare through the reduction of unemployment. It is expected that the government concerns itself with the entrepreneurship by providing equipment and venture capital to develop their business as well as human resources to be more professional.

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