

Exploration of Entrepreneurial Skills for SMEs Development

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Abstract - This research aim to identify skill as successful business of Small Medium Enterprises (SMEs). The population in this study is all SME entrepreneurs in Solo, Indonesia, and the sample research is the entrepreneurs of SMEs as 77 respondents who are in the area of Solo. Data analysis method used in this research is content analysis. The skills that an important role to work and makes the effort to be success of an entrepreneur consist are innovation skill (creative to meet the current demanded model, develop product), communication skills (communication, friendly service, promotion, competetion), workplace skill (production process, product design, goods quality, technological equipment, material technique), managerial skill, (planning, organizing, controlling, managerial, decision-making, time-setting, and leadership), and administrative skills (finance, and arranging cash).

Keywords: Entrepreneurial Skills; SMEs; Success,

I. INTRODUCTION

The development of small and medium enterprises (SMEs) requires discipline, dedication, creativity and high perseverance regarding job demands [1, 3, 18]. Every entrepreneur needs to have individual skills, and must have the ability to manage employees and take full responsibility for decision making [2, 3, 14]. In addition, the development of small and medium-sized enterprises involves many challenges from the business environment, such as the MEA, which requires strategy and specific attention (external analysis). In general, there are many available skill concepts that exist in the realm of human resource management theory, but so far there has been no specific and practical formulation of a skill set that is easy to master, and taught or trained according to the needs of SME entrepreneurs. Skill concepts include managerial skills, business skills, competency business, orientation more related to the skill of managing a well-established business enterprise [3, 14]. Yet to be able to work a person must start from the bottom, which means must be able to hire himself well first, and then someone will be able to have a certain position. Coupled with the enactment of free market then SME entrepreneurs are now and in the future are required to be able to skillfully compete both short term and long term strategic tactical [1, 3, 14]. Therefore it is necessary to provide skill training module that makes employers and prospective employers work, either as workers or self-employed. Therefore, it is necessary to develop a skill training module that appropriately suits the needs of the SME business world whose formulation is transferable. The formulation of a

skill set is based on the findings of a study of the characteristics of skills that have been proven to play an important role for SME entrepreneurs in running and developing their business.

Skill is one in addition to other aspects, namely aspects of education, training, and experience that play an important role in the economy. It was noted that sustainable development without any skill cannot successfully utilize capital and natural resources. The role of skill becomes increasingly important when there is a condition of lack of natural resources. Study in Singapore, it was noted that lack of entrepreneurial and managerial skills has been identified as a major cause of failure of small and medium enterprises [4, 5]. However, this study does not explain in detail what aspects of the skills should be developed.

There are various terms related to skills. While in Indonesia there is a term used in the field of employment [5]. Various studies show that Skills have several dimensions and terminology such as managerial skills, competency business, and employability skills [3, 4]. Each skill concept will be described one by one.

Thus it can be formulated that each aspect of the skill has a role to the success of each entrepreneur is different for each ability he has [5, 11]. There are many skills consist of Communication Skill, Teamwork Skill, Problem Solving Skill, Initiative and enterprise skill, Planning and organizing skill, Self-Awareness Skill, Learning Skill, Technology skill, Innovation, Acting proactively and Risk Management [4, 7].

Based on previous theoretical and research reviews from the literature review above, the authors propose a conceptual that serves as a guide as well as the author's thinking flow in completing training modules successful entrepreneurs in Surakarta.

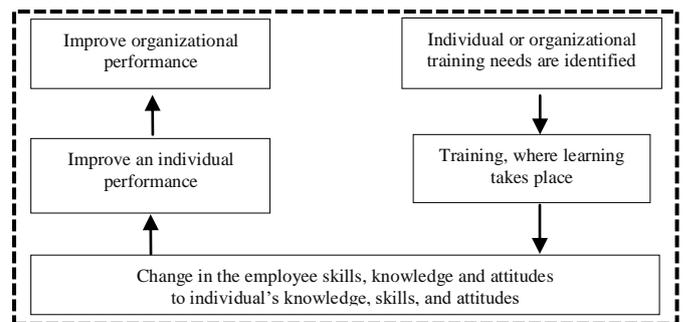


Figure 1 Framework training modules of successful entrepreneurs

From a set of skills that play an important role for the success of employers' work is then adopted into skill training materials based on a person's ability to carry out business work and at the same time become entrepreneurs who are able to face, anticipate and act proactively to the competition.

II. RESEARCH METHOD

The population in this study is all SME entrepreneurs in Solo Raya. While the sample will be the research of SME entrepreneurs as much as approximately 77 respondents who are in Solo region of Surakarta, Sukoharjo, Boyolali, Klaten, Karanganyar and Sragen, which has the following criteria:

- a. Has been in business for more than 5 years.
- b. Has a relatively above average business success compared to other entrepreneurs whose business is similar.

Data analysis methods used in this research is content analysis. Content analysis approach used in this research is conventional content analysis [8]. This approach is usually used to describe a phenomenon. In this approach, the researcher let the data bring up a new idea. There are several procedures of content analysis, namely: Adjustment of the material with the model, Rules of analysis, Preparation of categories, Criteria of validity and reliability [9].

While the data obtained from the interview and focus group discussion (FGD), the process of data analysis conducted in this study is to analyze the contents of the recording and added from the transcript of indepth interview conducted on the entrepreneurs of SMEs. Records and transcripts were then analyzed to get important points of the number of words that often appear and in accordance with the framework of research models [9].

III. RESULTS AND DISCUSSION

The characteristics of respondents who researched most have established businesses for 11-15 years. Most of the entrepreneurs are men, where the age of employers is 31-40 years, and the field of business of most respondents are batik entrepreneurs.

The authors found that the characteristics of successful entrepreneurs in Surakarta are most have established businesses for 11-15 years. Most of the entrepreneurs are men, where the age of employers is 31-40 years, and the field of business of most respondents is batik entrepreneurs.

There are some findings related to the problems faced by entrepreneurs and the various skills needed to overcome the problems faced.

Table 1. Main Problem of business

No	Main Problem	F	%
1.	Creativity and Innovation to follow Market Trend,	33	47
2.	Customer Satisfaction Competitive strategy: Between Entrepreneurs: Competitive prices,, promotions, marketing tools	19	27
3.	Financial : Less Stock Capital	11	13
4.	Management, Building system, time, and HR development	7	6
5.	Search for raw materials, anticipate the weather	7	6
		77	100

The main problem of entrepreneurs in running their business is the problem of following market trends based on creativity and business innovation, all of which leads to create customer satisfaction [4, 10, 11, 17]. This problem is ranked first faced by entrepreneurs that is as much as 47%. The second problem concerns competition between entrepreneurs, concerning price issues, promotion and availability of various marketing support tools. This issue is ranked second by employers, which is 27%.

The third issue is managing the finances and the lack of additional third rank capital. This problem is expressed by as many as 13% of entrepreneurs. Apparently, according to entrepreneurs, financial problems are not exactly the earliest problem in developing a business, even though it remains a problem. The fourth issue relates to business management issues, establishing work systems, managing employee time, and self-employment. This problem is expressed by as much as 6% of the entrepreneurs who were sampled research. This is the same as the assessment of the problem with the procurement of raw materials and the problem of weather anticipation. Furthermore, from the most important problems faced by entrepreneurs to continue to run their business and then identified the basic skills most needed to run the business was listed in the following table.

Table 2. The Skills that Importantly to Success Business

No	Skills Business	F	%
1.	Creative to meet the current demanded model, develop product (customer oriented)	36	50
2.	Communication, friendly service, promotion, compete (competition oriented)	16	20
3.	Production process, product design, goods quality, technological equipment, material technique (workplace skill)	11	17
4.	Managerial, decision-making, time-setting, Leadership (managerial skill)	10	17
5.	Finance, arranging cash (administrative skill)	4	6
		77	100

Tabel 3. Average Value of Respondent Answers to Skill

Skills	Mean	Scale
Workplace Skill	4,272	Good
Technological Skill	4,163	Good
Innovation Skill	4,118	Good
Managerial Skill	3,808	Moderate
Problem Solving Skill	3,751	Moderate
Communication skill	3,588	Moderate

The most important skills mentioned above shows that creativity skills to meet demand and develop products are a skill that is needed by entrepreneurs, is by as many as 50% of entrepreneurs declare it. This shows that the skill of fulfilling the customer's taste is an important issue. Knowing the tastes of the consumers and the skills to develop their products require the much needed capability to keep the business going and growing [11].

The second skills are related to communication skills, friendly service, and promotion to compete to become important skill according to the entrepreneur in carrying out his business. This is stated by as many as 20% of entrepreneurs. This skill is a related skill to introduce the business and product that is produced and to provide satisfactory service for the consumer; therefore it is reasonable to be ranked second skill.

The third skill is the skills related to the production process, which concerns the manufacture of product design, the quality control of goods, the use of technological equipment, and the material technique [11, 14, 15] Skills regarding this production process are declared important by as many as 17% of entrepreneurs.

The fourth skill is expressed by as many as 17% of entrepreneurs are managerial skills, with respect to decision-making, timing, and leadership (Leadership) or organizing subordinates. This seems to be an important skill in regards to managing a business unit consisting of production factors in order to work effectively and efficiently.

The last important skill is the financial management skills especially with regard to regulating cash flow [11, 13]. This is stated by as many as 6% of entrepreneurs.

From the records of interviews and discussions with entrepreneurs can be done analysis and discussion related to how to make the business can continue to run and develop. Among the various problems faced by entrepreneurs will be discussed one by one problem and skills sequentially from the most important. The skills that entrepreneurs need to overcome their business problems are related to Understanding Sales Challenges, which are to Recognize the Needs of Prospective Buyers and Present Value Solutions and Create Partnerships [1, 2, 10, 11, 14].

Based on the important role of various skills for the success of the business is then traced how the achievement of skill of each SME entrepreneur who become respondents of this research. Skill of entrepreneurs assessed using likert scale

with measured scale 1 (bad) - 5 (very good). The results of the achievement of the skills of entrepreneurs on average can be presented in the following table.

The first findings in this study shows the average value of respondents' answers to Workplace Skill variable is 4.272 (good). From respondents' answers about organizational development shows that most Solo Business people feel team work skill is the key to becoming an entrepreneur. Employers have the ability to work in the workplace. Workplace Skill is measured based on the skills of using technology that plays a role in performing tasks more effectively. The basic skills of using work tools [1, 11].

The second findings in this study shows the average value of respondents' answers to technology skill variable is 4.163 (good). From respondents' answers about organizational development shows that most Solo entrepreneurs feel that technology skill is the key to becoming an entrepreneur. The ability to use technology is offset by an update to technology and the desire to always adapt to technological change [11]. An entrepreneur wants to learn in the presence of new technology and be able to use existing technology to help the success of his business.

The third findings in this study shows the average value of respondents' answers to the innovation skill is 4.118 (good). From respondents' answers regarding organizational development shows that most Solo entrepreneurs feel that Innovation is the key to becoming an entrepreneur. Creative refers to a creative approach or innovative ideas with a competitive market [11]. A planned approach is needed to examine the existing situation and to identify entrepreneurial opportunities. This further implies that the entrepreneur has an alliance with people who think broadly and narrow the right organization that offers support and service. The center of public facilities is used to provide periodic skill development in accordance with the state of the art technology and personality needed to become a successful entrepreneur. Evident from various studies entrepreneurs maximally have no higher qualifications but have a higher experience [11]. They used to start their careers as basic employees and become experts in industry with practice without formal training or vocational education. Not just because they do not want to practice by involving themselves as employees in small or small industries, where they want to start a business first and want to learn parallel. Therefore, public facility centers have separate divisions to provide systematically adequate training and train them at the expert level as their central goal center [11, 15, 17]. Training in their own organizations becomes a very costly affair, because of expertise, methods of handling, and training materials. Not only entrepreneurs who have formal experience but without proper training can cause huge losses for their investment. To meet the gap between the centers of these generalist industrial facilities, provide support for skills development through their shared skills development center. In the aspect of new entrepreneurs who are willing to start a business without previous entrepreneurs after understanding and identifying the facilities.

The results of the fourth seventh findings in this study shows the average value of respondents' answers to Managerial Skill is 3.808 (moderate). From respondents' answers about organizational development shows that most Solo entrepreneurs feel that Planning and organizing skills is the key to becoming an entrepreneur. When that become a successful entrepreneur, must be prepared with a myriad of routines and jobs that await to be solved immediately. Although quite heavy, but these tasks must be completed by business actors in order not to pile up and hamper the way the wheels of business [11,12]. For that, as an entrepreneur are required to be able to set the priority scale so that all business affairs can run smoothly without ignoring the business outside your work. In this case, organized and sort the tasks according to their level of importance, and divide the time proportionally between business, partner, or family time.

The results of the fifth findings in this study showed the average value of respondents' answers to the variable problem solving skill that is 3.751(moderate). From the respondents' answers about the development of the organization shows that most Solo entrepreneurs feel the problem solving skills is the key to becoming a successful entrepreneur. Successful entrepreneurs have the ability to profit effectively by coordinating existing factors and resources such as mentoring, training and coaching and building a strong base of education, training and experience that can help the success of their business [11].

The sixth findings in this study showed the average value of respondents' answers to the Communication Skill variable is 3.588 (moderate). From respondents' answers about organizational development shows that most Solo entrepreneurs feel Communication Skill is the key to becoming a successful entrepreneur. As a prospective entrepreneur, of course you are also required to be a reliable market player. Communicate well so you can be the other person your business partner counts [11, 13]. Although this point is often overlooked by business actors, but should learn to be a reliable speaker in order to conquer any doubts owned by your opponent.

IV. CONCLUSION

Based on the findings of research and data analysis above it can be concluded as follows. The most important business skills possessed by entrepreneurs to succeed are innovation skill (creative to meet the current demanded model, develop the product), communication skills (communication, friendly service, promotion, and competition), workplace skill (production process, product design, goods quality, technological equipment, material technique), managerial skill, (planing, organizing, controlling, managerial, decision-making, time-setting, leadership), and administrative skills (finance, arranging cash).

Then based on an assessment of the skill ability of the entrepreneurs on average the skills possessed sequentially from the best value is the workplace skill (good), technological skill (good), innovation skill (good), managerial

skill (moderate), problem solving skill (medium), and communication skills (moderate). Furthermore, based on the achievement of the skills of entrepreneurs it appears that the skills of entrepreneurs to be improved are managerial skill, problem solving skill, and communication skills.

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