

# Factors Causing Retired Indonesian Migrant Workers Entrepreneurship in Kediri Regency

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**Abstract:** This study builds on determining the interest of Indonesian migrant workers to choose entrepreneurship when they decide not to return to become migrant workers. Many cases show that retired migrant workers do not have easy access of employment, the level of education that is owned by the migrant workers provides little opportunity for them to get jobs in the company, while remittances sent to family while becoming migrant workers can become capital to start independent businesses. The role of the family becomes important in managing remittance money because with the support of a full family, migrant workers are able to start work as independent entrepreneurs. This design of the research is a quantitative study with the initial sample of members of the full-time group of migrant workers "Guyup Rukun Ayam Tentrem" whose stay in Deyeng Village, Kediri Regency, with the number 40 people. This study shows that the role of family, income, and coaching simultaneously have a significant effect on the interest in entrepreneurship, while the level of education does not significantly effect the interest in entrepreneurship.

**Keywords:** education, family role, income, interest in full employment of migrant workers

## I. INTRODUCTION

International labor migration is an important component in globalization and national development in several developing countries. When production is encouraged to increase the number of exports, on the other hand farmers and poor groups are a part that gets a small income and means to meet limited needs [1]. The life cycle continues to lead to poverty, making affected communities choose alternative employment abroad.

One's main goal is to work as Indonesian Migrant Workers because of the desire to get more capital instantly and the difference in living standards in other countries, which means that Indonesian Migrant Workers expect more salaries obtained in other countries [2]. Another reason is that working-age people who live in rural areas rarely have the willingness to work as farmers and choose to be temporarily unemployed or work odd jobs to find better jobs. There are

difficulties in capital, skills and access to markets which are the reasons for the increasing number of unemployed people. Meanwhile employment opportunities are also limited. The return of Indonesian migrant workers from abroad and the unwillingness to return to work abroad brings its own problems because they tend to use the results of working from abroad for consumptive needs rather than productive activities. Generally Indonesian Migrant Workers and families without jobs are even reluctant to return to work in the traditional sector so that they no longer have internal source income [3]. Looking at the statistics, more than 80% of migrant workers come from farm families, which means they are used to doing work every day. Migrant workers choose to be Indonesian Migrant Workers in order to be able to raise capital, so they can build businesses in their hometowns [2]. Migrant workers are pioneers in pioneering and establishing independent businesses after obtaining capital from foreign salaries [4].

Remittances sent to families of migrant workers have a significant impact on improving the welfare of families of migrant workers and the community, through expanding employment. Therefore, coaching and insight into entrepreneurship are very important for migrant workers and their families, so that remittances can be managed into productive businesses [5]. Remittance triggers the emergence of new businesses in developing countries that have large capital problems. The remittance of migrant workers has an important role as the initial capital to generate business related to economic growth sector [6]. Management of remittance funds is maximized when migrant workers have family and relatives who become social support in managing financial remittances. Social support is a concept that has not been widely discussed and its contribution to one's entrepreneurship [7].

The government as a policy maker has a special focus on full-time migrant workers. Full migrant workers make use of entrepreneurship training programs conducted by the government to gain access to starting businesses to gain access to markets [8]. Government programs is providing soft capital programs can increase the motivation of full-time entrepreneurial migrant workers, although the amount

obtained is relatively small, but it is still a motivation to start a business [4].The lack of supply of employment provided by companies as well as the system of contract work that many companies do in Indonesia, provides an opportunity to

generate interest in entrepreneurship which in the end is able to create new jobs to prosperity [9]

### A. The Role of the Family

Environment is an atmosphere or situation in a place where interaction occurs socially and gives influence in mindset and outlook both directly and indirectly to the development of the mental and individual attitudes. The family environment influences the interest in entrepreneurship where the more conducive the surrounding family environment will further encourage someone to become an entrepreneur [10].

When starting a business, full-time migrant workers involve the whole family to help work. This is a very appropriate choice because if the business is built with the family in addition to having a strong enough bond is also a solution to providing employment for the family in the long term [3].

The family has an important role in the process of establishing a business, because it provides a network of connections and is able to offer assistance professionally and unprofessionally. In making a decision to become an entrepreneur, a woman waits for family support and reaction [7]. The development or failure of a business depends on family support.

### B. Education

Entrepreneurship education is often related to finance and the capability of individuals to obtain the income. The higher level of education of a person, the higher the alertness in obtaining funding sources for their business, where a highly educated entrepreneur will be more careful in making decisions accompanied by consideration of the steps to be taken. The discussion of entrepreneurship education is more focused on student entrepreneurship education or interest in student entrepreneurship.

Entrepreneurship education is often related with one's attitude. Entrepreneurship education can effect the attitudes, so entrepreneurship education needs to be well designed to be able to develop a positive evaluation of entrepreneurial development [11]

### C. Income

Income is the result of a finding or obtain from a business and work, income is the amount of income received by a person in the form of money or goods that are the result of work or business. Income here is the last salary or wage obtained by migrant workers in the destination country. Income sent by migrant workers to families (remittances) is basically part of the income of migrant workers who are set aside to be sent to the area of origin. Thus, logically it can be stated that the greater the income of migrant workers, the greater the income of migrant workers sent to families [12]

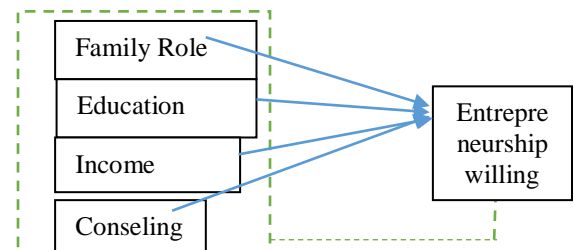
Income is defined as wages earned after work. The greater the amount of income received by migrant workers, the greater the income of migrant workers sent to families [13]. Income has a positive impact on the entrepreneurial interest of individuals who prefer to become entrepreneurs because of the lack of opportunities for access to other employment opportunities.

### D. Guidance

Guidance and development are efforts made by the government, the business world and the community through the provision of guidance and reinforcement assistance to grow and enhance the ability of small businesses to become strong and independent businesses and can develop into medium-sized businesses. (Law Number 9 of 1995). Support while training and guidance from the government or training from the private sector led to inspiration for entrepreneurship. One industrial development program that aims to develop industrial businesses and increase production capacity for MSMEs and other production units [14].

Several studies have shown that little ongoing monitoring is carried out by the government towards full-time migrant workers who have attended training. The full migrant worker who has been fostered is considered to have been able to empower his group [15]

Figure 1. Framework of thinking



## III. METHOD

The design of the research is a quantitative study to find at the factors that have caused Indonesian migrant workers to choose entrepreneurship compared to being migrant workers again. The relationship between variables in this study can be known by using quantitative methods.

### A. Population and Sampling Techniques

The population in this study is retired workers of Indonesian migrant workers in Deyeng Village, Kediri Regency who are members of the retired group of migrant workers "Guyup Rukun Ayem Tentrem". The number of retired migrant workers who are members of this group is 40 people, the method of determining the sample uses the census

method so that the entire population is used as an initial sample in this study, so the number of samples used is as many as the population.

**B. Data Types**

The type of data in this study are primary data gathered from interviews using questionnaires as well as interviews with several parties that relate directly to the retired employment of migrant workers, while also using secondary data gathered from the central statistical and related agencies.

**C. Types of Variables**

The independent variables in this study consisted of family roles, education level, total income, and coaching, while the dependent variable in this study was the interest in entrepreneurship.

**D. Data Analysis Techniques**

To increase the reliability of the measurement, the data analysis in this study uses

validity, reliability, multiple linear regression analysis. Then in testing the hypothesis using the F test and the T test as well as the coefficient in the mirror (R<sup>2</sup>)

**IV. RESULT AND DISCUSSION**

According to of a questionnaire that has been distributed to Indonesian migrant workers in retiring an initial sample of 40 people belonging to the retired group of migrant workers has been obtained "Guyup Rukun Ayem Tentrem". 40 people were selected as research samples, consisting of 20 men and 20 women who had regular meetings every month.

**A. Test Validity and reliability**

This study uses a validity test to prove that the items in this study are valid.

**Tabel I. Validity Test**

No	item	R count	R table	Note	No	item	R count	R Table	Note
1	X1.1	0,812	0,320	Valid	12	X4.2	0,628	0,320	Valid
2	X1.2	0,362	0,320	Valid	13	X4.3	0,908	0,320	Valid
3	X1.3	0,513	0,320	Valid	14	X4.4	0,786	0,320	Valid
4	X2.1	0,328	0,320	Valid	15	X4.5	0,761	0,320	Valid
5	X2.2	0,783	0,320	Valid	16	Y1.1	0,644	0,320	Valid
6	X2.3	0,920	0,320	Valid	17	Y1.2	0,552	0,320	Valid
7	X2.4	0,383	0,320	Valid	18	Y1.3	0,445	0,320	Valid
8	X3.1	0,626	0,320	Valid	19	Y1.4	0,575	0,320	Valid
9	X3.2	0,503	0,320	Valid	20	Y1.5	0,682	0,320	Valid
10	X.3.3	0,603	0,320	Valid	21	Y1.6	0,600	0,320	Valid
11	X4.1	0,792	0,320	Valid					

From the results of validity test data processing, the results obtained are shown as shown in table I. The results show that all items in the research questionnaire are declared valid, because the R count of each question item has a greater result than the R table (0.320). The next step is to find out reliability, which means that each item in the questionnaire is reliable. The way to find out is to compare the cronbach alpha number with the minimum requirement of 0.6. So if the calculation results show a value greater than 0.6 then the questionnaire is reliable.

**Tabel II. Reliable Test**

Variable	Cronbach's Alpha	N of Items
Family Role	0,832	4
Education Level	0,749	5
Income	0,669	4
Consoling	0,799	6
Entrepreneurship Willing	0,720	7

Based on table II shows that each question in the research questionnaire is reliable because the cronbach alpha value is greater than 0.600

**B. Multiple Regression Analysis**

Regression analysis in this study was to determine the effect of family role variables, education level, total income, and guidance on the variables of interest in entrepreneurship. To find out the results of the calculation of the influence of family roles, education level, total income, and guidance on the interests of entrepreneurship are as follows

**:Table III. Regression Coefficient Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	6,514	3,621		1,799	.080
x1	.826	.183	.533	4,503	.000
x2	-.138	.122	-.131	-1,133	.265
x3	.720	.302	.278	2,380	.023
x4	.150	.058	.294	2,579	.014

a. Dependent Variable: y

Based on the coefficients table, the results of multiple linear analysis in the unstandardized column are as follows:

$$Y = 6.514 + 0.826 X1 - 0.138 X2 + 0.720 X3 + 0.150 X4$$

The regression equation above shows that when the family role (X1), education level (X2), Total income (X3), Coaching (X4) has a value of 0 which means constant interest in entrepreneurship (Y) is 6.514. Each increase of the independent variable equal to the unit can increase the

dependent variable by the value of the beta coefficient of each independent variable multiplied by the magnitude of the increase that occurs.

**Hypothesis Test Results**

Hypothesis testing can be done using the F test and t test. The F test is used to determine the effect of the independent variables on the dependent variable together. While the t test to see the effect of each independent variable on the dependent variable

**C. Test F**

**Tabel IV. Uji F ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	304.892	4	76.223	10.630	.000 <sup>b</sup>
Residual	258.132	36	7.170		
Total	563.024	40			

a. Dependent Variable: y  
 b. Predictors: (Constant), x4, x1, x2, x3

Source: primary data processed by researchers (2019)

Based on the results of calculations in table IV, that the calculated F value is 10.630. While the F table value is 2.63 so F count (10.630) > F table (2.63) while for the sig value. 0,000 < 0,05. This means that the variables of family role, level of education, total income, and coaching have a significant effect on the interest in entrepreneurship.

**D. Test t**

**Tabel V. Uji t Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	6.514	3.621		1.799	.080
x1	.826	.183	.533	4.503	.000
x2	-.138	.122	-.131	-1.133	.265
x3	.720	.302	.278	2.380	.023
x4	.150	.058	.294	2.579	.014

a. Dependent Variable: y  
 Source: primary data processed by researchers (2019)

Based on the calculation results in table V then:

a. family role variable (X1) shows the results of sig. 0,000 and t count 4,503. So that variable X1 has sig. 0,000 < 0,05 and t count (4,503) > t table (2,26). Then it can be said that the first variable is accepted.

This is in accordance with research from [3], that the family role of both husband / wife for married migrant workers, as well as both parents for single migrant workers who are still very decisive in their success in realizing the ideals in their homeland.

b. Educational level variable (X2) shows the results of sig. 0.265 and t count -1.133. So that the variable X2 has sig. 0.265 > 0.05 and t count (-1.133) < t table (2.26). Then it can be concluded that the second variable is rejected.

The level of education does not affect the interest in entrepreneurship because there are not many Indonesian migrant workers with low levels of education capable of managing the financial results of their work abroad, the biggest driving factor of ex-migrants doing mobility is the family's economic condition and the last education taken by former TKIs [16] .

c. The income level variable (X3) shows the results of sig. 0.023 and t count 2.380. So that the variable X3 has sig. 0,023 < 0,05 and t count (2,380) > t table (2,26). Then it can be concluded that the third variable is accepted

Remittance has become an important financial source for economic development in decades. But the use of remittances is not so optimal because there are many other business capital opportunities such as bank loans, from trusted families. Alternative business capital arises because the amount of remittances sent is too small to fund the business [17]

d. The coaching variable (X4) shows the results of sig. 0.014 and t count 2.579. So that variable X4 has sig. 0.014 < 0.05 and t count (2.579) > t table (2.26). Then the hypothesis for the fourth variable is accepted.

The coaching carried out by the government to the full of Indonesian migrant workers, gave them the courage to start entrepreneurship.

Continuous guidance is expected that entrepreneurs and craftsmen will be better and more in line with the culture used in the organization, such as working hard, working well, having high morale, having a strong mentality, having a high sense of caring for achievement [18] . This is evident in Bintang Gunung Kidul Yogyakarta, a government and private funded program capable of creating entrepreneurial initiatives from full migrant workers, such as tourism and cooking programs [15].

**V. CONCLUSION**

The results of the research and discussion on the role of family, education, income, and guidance for Indonesian migrant workers' retired shows that there is a joint relationship between family role variables (X1), education level (X2), income (X3), and Guidance (X4) towards interest in entrepreneurship variables (Y). while partially the variables of family role, income, and coaching have a positive and significant effect on the variables of interest in entrepreneurship, but for educational variables it has a negative and significant effect on the variable interest in entrepreneurship

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