

SOCIAL ENTERPRISE STRATEGY TO EMPOWER BUSINESS OF UNDEPRIVILEGED FAMILY THROUGH INCUBATION PROGRAM FOR SUSTAINABILITY IN INDONESIA

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Abstract. Education has become crucial thing not only for Indonesia but also for every country in the world, thus it were declared in Millennium Development Goals (MDGs) by all 191 United Nation member states as the eight international development goals (Achieve Universal Primary Education). Moreover, education also become part of Sustainable Development Goals Number 4. Education is the key that will allow many other Sustainable Development Goals (SDGs) achieved. When people are able to get quality education thus they can break the cycle of poverty. Education therefore helps to reduce inequalities and to reach gender equality and also empowers people everywhere to live more healthy and sustainable lives for every country in the world. However, Education in development country especially in Indonesia fuels concerns. Indonesia rank in 62 out 70 countries in Program for International Student Assessment (PISA) 2015-2016 in term of mathematics, science and reading. (factmaps.com), furthermore Indonesia has low number of education participation or in other word student dropped-out case in Indonesia still being nationally attention. In this research using participant observation as main method which usually 12 steps that we called also as Developmental Research Sequence (DRS) used to understand the culture of group of society for a certain period of time. Hence it called ethnography. This research using participant observation within 4 months observation with the client, participant observation is is the process enabling researchers to learn about the activities of the people understudy in the natural setting through observing and participating in those activities Moreover, the output of this research would be more on business strategy in order to increase students parent income. As the main result, the strategy as complementing incubator program into four stage of business incubation as well as product development and marketing initiatives such as rebranding has successfully helps student's family income increased by 10% month to date July 2019.

Keywords: Social entrepreneur ; Education ; Business Incubator ; Participant Observation ; Sustainability

INTRODUCTION

Indonesia is the world's fourth-most-populated country, education has become substantial aspect for this country. Moreover , guaranteeing that everyone has access to quality education is no easy feat, especially considering that many infrastructural challenges posed by its archipelagic terrain. Projected to have a workforce of 65 Mio young adults by 2035 this country is turning its focus to education to better ensure its citizens will be prepared to perform in an increasingly competitive economy. Education has become crucial thing not only for Indonesia but also for every country in the world, thus it were declared in Millennium Development Goals (MDGs) by all 191 United Nation member states as the eight international development goals (Achieve Universal Primary Education). Moreover, education also become part of Sustainable Development Goals Number 4. Education is the key that will allow many other Sustainable Development Goals (SDGs) achieved. When people are able to get quality education thus they can break the cycle of poverty. Education therefore helps to reduce inequalities and to reach gender equality and also empowers people everywhere to live more healthy and sustainable lives for every country in the world. However, Education in development country especially in Indonesia fuels concerns. Indonesia rank in 62 out 70 countries in Program for International Student Assessment (PISA) 2015-2016 in term of mathematics, science and reading (PISA, 2015), furthermore Indonesia has low number of education participation or in other word student dropped-out case in Indonesia still being nationally attention. Moreover, indonesia student

graduate 2016,

There are 2.5 Mio students dropped-out where 47% are coming from Java (24% for primary school and 76% for Junior High School), the biggest number of student dropped-out in Java was coming from West Java where over 200.000 students dropped-out or 8.7% of participation, however on other province the average number is 7.6%. West Java participation rate is also one of the lowest number among other provinces in Indonesia.

This circumstances happened because Indonesia is a country that is still classified as a developing country characterized by its people who have relatively low per capita income. This is also marked by the presence of population problems such as high levels of unemployment and high dependence on other countries. Based on BPS data, it shows that in 2017 unemployment increased by 10 thousand people, from a total of 121.02 million people who worked (increased by 2.51 million from August 2016), 7.55% were in the underemployed category and 20.40% were part-time workers. Meanwhile, the Open Unemployment Rate fell 0.11%, this seems positive because in 2017 Indonesia has been literate on "business" especially start-up. Judging from the level of education, the TPT for Vocational High Schools is the highest among the other levels of education which is 11.41%. From the above data can be obtained the essence that unemployment in Indonesia continues to increase in 2017, two things that are very close to unemployment are education and business. Education in Indonesia is certainly very related to the human quality of a person and business is an economic support in a country. The business or entrepreneurial conditions that sustain unemployment in Indonesia have several important highlights. Entrepreneurship is urgently needed to help the nation's independence as well as increase national economic growth. For the record, Indonesia's entrepreneurial ratio based on BPS data in 2016 with a population of 252 million is 3.1%. This figure is much lower compared to developed countries such as Singapore (7%), Japan (11%), and the United States (12%). Thus education and economy would never be separated part indeed. Therefore, not only to help children education but also we have to empower parent to increase income and help financial stability is important. In this research there is organization namely Mataharikecil Indonesia Foundation (MIF) that realized those problems, hence they come up with solution to create free school for underprivileged student who got dropped out, moreover they develop student's parents business through business incubator.

There are a lot factors that affect business incubator to run a business especially when MIF decided to targeted middle-low income (SES B-C). According to Ajzen's model (1991), personality traits and demographic elements (gender, age, etc.), are believed to influence intentions in so far as they affect the individuals' beliefs, i.e. their intentions, to initiate a project. Maes, Leroy, and Sels (2014) stressed on gender differences in entrepreneurial intentions. They also indicated that women are more motivated to launch up their own projects. The recognition of the individual factors however should by no means lead to overlooking the social and cultural impacts as well as constraints on framing the entrepreneurial intention or spirit. The entrepreneurial intention has always been affected by several factors, as highlighted and derived from the relevant theoretical and empirical analyses. These factors involve, mainly, the relating individual characteristics, socio-cultural background, entrepreneurship education, the existence of a project-undertaking idea, etc. (Rim Badri, Nejob Hachicha, 2019)

This research using participant observation within 4 months observation with the client, participant observation is the process enabling researchers to learn about the activities of the people understudy in the natural setting through observing and participating in those activities. It provides the context for development of sampling guidelines and interview guides (Dewalt, 2002). The research questions of this research are : (1) what is the most suitable strategy to approach family to join incubator program? ; (2) What is strategy to increase family income? ; (3) how do we make sure that family will be saving the money for their children education?, all these research question would be answered by doing participant observation and several other research.

LITERATURE REVIEW

Nowadays, entrepreneurship has become a major drive for economic growth and a remarkable challenge to several countries. Apart from being a trigger for job creation and economic growth, it has greatly contributed to satisfying the need for achievement among individuals with creative tendency and risk taking propensity. It may also raise the interest of individuals, seeking self-satisfaction opportunities, in engaging in entrepreneurial activities. However, these intentions are not often concretized into real projects because of the constraints that may emerge or the person's preferences change (Van Gelderen, Kautonen, & Fink, 2015).

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Business incubator are organizations that create value by providing support such as facilitation services to assist potential startups and SMEs to develop sustainable businesses (Tötterman and Sten, 2005; Hughes et al., 2007). BIs provide different services mainly integrated in three dimensions: facilities, coaching, and access to networks (Abduh et al., 2007). However, BIs as any other organizations are limited to possess all the resources to create value businesses (Roberto Hernández and Giuseppina Carra, 2019)

METHODOLOGY

This research was conducted to determine the strategy that should be applied for MIF. In order to achieve the objective, there is a conceptual methodology that is used as the guideline (Miles and Huberman 1994), conceptual framework explains either graphically or in narrative form, the main things to be studied, key factors, construct, or variables, and presumes relationship among them. This research starts by collecting business issue of the company. To analyze the problem, the research covers internal analysis and external analysis. This conceptual framework is used in this thesis study as an instrument to form a structured research in MIF business issues then to form business strategy formulation and implementation to solve the issues as well as increasing Mrs. Diah sales growth. A good conceptual framework must also be expressed in writing for it to be understood by the reader clearly. This could also mean that after a researcher has craftily produced a diagrammatic representation of the main variables of the study, researcher has to explain clearly the relations among every part of them and how their complementation helps in answering the major research problem defined (Fisher 2007). Information used to fulfil this study is gathered through primary and secondary data where primary data collection gathered by doing participant observation. Whereas the secondary data are collected through books, literatures and desktop study. These data will be compiled and summarized in strategy to increase family income. Last, this study will be closed by conclusion, recommendation and implementation plans

In participant observation, ethnography essentially an effort to describe a particular culture in essence, whether it is explicit or implicit describe from the conversation, comment, or event long interview. because language is the main tool or media to spread the culture generation by generation. the best way to learn to do ethnography is by doing it, the Developmental Research Sequence (DRS) help us to briefing the statement of the learning goals at each particular stage in the ethnography processes. there are 12 steps to focuses exclusively on doing participant observation, they are (1) Locating a social situation, (2) Doing Participant Observation; (3) Making an Ethnographic Record; (4) Making Descriptive Observations; (5) Making a Domain Analysis; (6) Making Focused Observations (7) Making a Taxonomic Analysis; (8) Making Selected Observations; (9) Making a Componential Analysis; (10) Discovering Cultural Themes; (11) Taking a Cultural Inventory; (12) Writing an Ethnography. These approach has objective to gain understanding of underlying reasons and motivations, moreover it provide insight into the setting of a problem.

This research using participant observation within 4 months observation with the client, participant observation is is the process enabling researchers to learn about the activities of the people understudy in the natural setting through observing and participating in those activities. It provides the context for development of sampling guidelines and interview guides (Dewalt, 2002). Ethnography or participant observation is the work of describing a culture. The central aim of ethnography is to understand another way of life from the native point of view. Basically the goal of ethnograph is to grasp the native's point of view, relation to life, as well as realize his vision of his world. It is involves the disciplined study of what the world is like to people who have learned to see, speak, hear, think, and act in ways that are different. Rather than studying people, ethnography means learning from people. Consider all the following illustrations.

FINDINGS AND ARGUMENT

After 4 years and still counting, MIF has successfully graduated 13 students. However the new concern is that who will be guarantee that they are will continuing ther education, who will be guarantee their financial stability for education, because their family background most of them are underprivileged family, hence Mataharikecil school are free-cost school. Almost 95% student parents in Mataharikecil school are under national minimum wage and there are 2.5% are unemployed which means that student family has lack of power to support financially for education. Currently, one of MIF client is that Mrs. Diah and Mr. Dani. They are parent of our student namely Ferdi. Ferdi is our potential student in Mataharikecil Indonesia Foundation School, however his mother has passed away when he was 12 years old, her father has remarried but Ferdi feels uncomfortable if he has to live with her father, thus ferdi live with his uncle and aunt (Mr Dani & Mrs Diah), the thing is Mrs Diah also has 3 children and has to send them to school, eventhough in other side Mrs Diah and Mr dani only have a monthly income about IDR 1.500.000. Mr Dani works as clean water seller and Mrs Diah is entrepreneur that focus on culinary business. She is helping his child to continuing their education, thus he decided to join the mataharikecil business incubator. She realized that Bandung is a very dynamic and creative city in the field of culinary business, especially in culinary. Most of people know that there are so many good food with delicious taste in Bandung. Not infrequently tourist both domestic and international, come to Bandung only to enjoy the food. These conditions are really good to all the seller in Bandung. Unfortunately, it causes the creative industries in Bandung is compete very tightly because they know that there is an opportunity in Bandung to build in business especially in food. That is why Mrs Diah business quite struggling to run this business. In the following table 1 is the data for revenue and demand within 2016-2018 :

Table 1 Revenue and Growth of Mrs. Dian Business

	2016	2017	2018
Revenue (mio)	IDR 36,000,000.00	IDR 75,600,000.00	IDR 73,000,000.00
Demand	360	756	730

Based on Table 1 shown that revenue and demand from 2016 – 2018, in term of revenue we can see the fluctuating number within 3 years. Furthermore, based on research using participant observation within 4 months we have got several insights. Developmental Research Sequence (DRS) help us to briefing the statement of the learning goals at each particular stage in the ethnography processes. there are 12 steps to focuses exclusively on doing participant observation, After considering the result of participant observation within 4 months, we have got some result and insights as below:

- Mrs Diah family understand the importance of education however the reality especially their economic status doesn't favor his family.
- The implication from point number 1 is Mrs diah was forced to commit ferdi help her business to fullfil their basic physiological needs
- She will be helped if there is someone dedicated to help their business (mentorship program and access to capital)
- They don't want to feel judged, they want anyone who wants to help them have to be a "part of them" / emphyaty

Those 4 insights we have got from participant observation, thus we come up with several steps that we have to go through as below:

- Step 1 : Client Assessment**, in this step we are trying to assess our client based on their needs, their problem in term of financial and others. Thus, we come up to determine to go with the client or not.
- Step 2 : Approaching Client**, in this step we do participant observation to understand the behavior of our client moreover to create and build the good relationship, furthermore in this step we are trying also to open their mindset the importance of education, and the importance the incubator for giving the mentorship program, thus they can understand and run a business with purpose,
- Step 3 : Client Business Stage**, in this step we divide our program into 4 main activities which consist of *pre-incubation, incubation, acceleration* and *post graduate*. In this stage we come up with severals initatives such as create a new name as GODADI and logo (rebranding), create a new menu design, booth and banner.

Based on Figure 1 above, we calculated the monthly average income in 2016-2018, so we compare with Month to date result by June – July which we are already help Mrs Diah within those times. Eventhough the growth not good as much as 2017 however in term of value we are way better than before. This is indicate our current initiatives is quite successful which increase 10% of income.

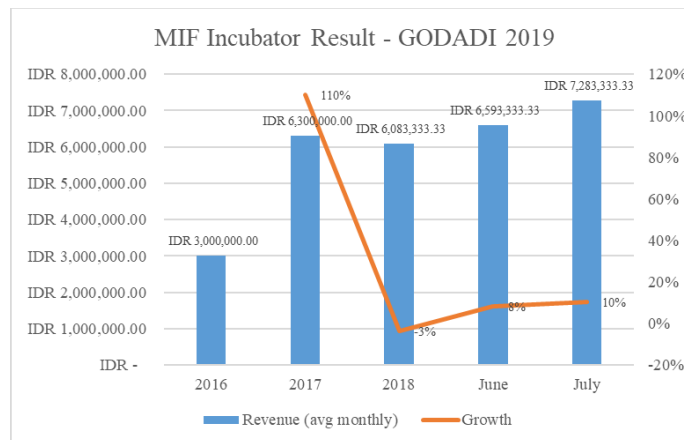


Figure 1 Revenue and Growth of Mrs. Dian Business (GODADI)

Client Business Stage, in this step we divide our program into 4 main activities which consist of pre-incubation, incubation, acceleration and post graduate. In this stage we come up with severals initatives such as create a new logo (rebranding), create a new menu design, booth and banner. As a result based on calculated the monthly average income in 2016-2018, so we compare with Month to date result by June – July which we are already help

Mrs Diah within those times. Eventhough the growth not good as much as 2017 however in term of value we are way better than before. This is indicate our current initiatives is quite successful. If we are doing forecasting for our estimated result, where we could say our growth is 5% (assumption) for the next month after july, thus the estimated income at the end of period incubator program would be Rp 10.603.333 per month, or we would say it would be Rp 52.880.000 at the end of incubation periods (6 months). If we have 5 investors where they will get 10% sharing profit thus each investors would get Rp 1.057.600. on the other hand, MIF business incubator where has 5% of sharing profit of it would get 2.644.000 at the end of periods.

CONCLUSIONS

Using participant observation within 4 months observation with the client, this methodology is the process enabling researchers to learn about the activities of the people understudy in the natural setting through observing and participating in those activities. It provides the context for development of sampling guidelines and interview guides. As the result of the research, MIF has developed strategy to empower underprivilege family, MIF developed strategy to approaching them until create a proper program for targeted middle-low client, since 6 months applied this strategy, the client monthly income has increased by 10%. This strategy has thriving business their parents as well as assist their children to continuing their education.

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