Identification of Factors in Determining Strategy to Increase Competitiveness SMEs Written Batik Jetis in Sidoarjo Regency, Indonesia

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Abstract- Small and Medium Enterprises (SME) Written Batik Jetis - Sidoarjo is one of the business in handicraft with motive making techniques on cloth using canting. SMEs can be a driver for the growth of regional and national economies, it can be happened because can survive when the economic crisis occurs. The quality of human resources is one of the factors that determine the success or failure of the company in a competitive environment. This research seeks to identify the factors of strength, weakness, threats and opportunities in improving the competitiveness of SME Written Batik Jetis - Sidoarjo. With this identification, SME written batik can know the factors that affect business success in competing in local and global market by increasing the opportunities and reduce the risk of failure. This research use delphi method to get the best factor in improving competitiveness SME written batik with the source consists of experts who have competence in the field. These factors include: Indonesian Batik is officially recognized by UNESCO, stable price of batik, quality of batik, variation of written batik, there is not recruitment and selection process of employee recruitment, the absence of training for employees, the lack of career development for employees, discipline and employee motivation is still lacking, the development of the fashion world, the enactment of free markets, the utilization of e-commerce, there is not training for employees, the lack of career development for employees, discipline and employee motivation is still lacking, the development of the fashion world, enactment of free market, e-commerce utilization, Local governments facilitate to introduce SME products, lack of manpower around the environment, there is not extracurricular in schools about how to make batik, the entry of batik products from other countries, do not know patented written batik products.

Keywords- Delphi Method, IFE Matrix, EFE Matrix

I. INTRODUCTION

Written Batik is one of the nation's cultural heritage which form of handicrafts with motive-making techniques on cloth using canting. On October 2, 2009, Indonesian Batik was officially recognized by United Nations Educational, Scientific and Cultural Organization (UNESCO).

Ardiana, et al (2010) explained that small and medium enterprises (SME) are the most sustainable business groups when the economic crisis occurs in this country, Business micro, small and medium enterprises compete in local and global markets, but also survive in the long term (Kraja and Osmani, 2013) Small and medium-sized businesses have great opportunities to develop and are able to increase economic growth of a region (Kunhadi and Harjanti, 2017).

Potential development of small and medium enterprises is very large, so it takes a series of integrated and sustainable coaching in overcoming various problems encountered, such as limited capital, limited knowledge and information, quality of human resources, and promotion. Sriyana (2010) explains that the problem of human resource management is one of the factors that can be a barrier to the development of small and medium enterprises.

Meanwhile, according to Sulistyo (2010) explains that the problems faced by SME are: management in business is still low, the capital held is still limited, marketing access is still lacking, still low in technology mastery, the policy issued by the government is still not effective, management in business management is still weak. Lack of government attention in providing training assistance for small and medium enterprises (SME) (Kunhadi, et al., 2018).

Human resources as the subject of implementer the activity is an important factor in an organization because of its role (Pakpahan, et al., 2014). Meanwhile, according to Soekidjo (2003) describes the quality of human resources concerning two aspects that is physical aspects and non-physical aspects such as ability to work, thinking and skills. Development of human resources in small and medium enterprises is still lacking, it can be seen from the resulting product is still not innovating, so it will affect from the performance of small and medium enterprises, The success of the SME business in Thailand is influenced by several factors, including: characteristics of SMEs, customers and markets, ways of doing

business, resources and finance, and the external environment (Chittithaworn, et al., 2011).

With the enactment of free market, the survival of small and medium enterprises (SME) of batik Jetis should be considered, because batik products from other countries go to Indonesia with relatively cheap price. Therefore, a small and medium enterprise (SME) batik development strategy is needed, in order to survive and sustainably by improving the competitiveness and development of its human resources.

II. METHOD

The purpose of this research is to identify the factors of strength, weakness, threats and opportunities in improving the competitiveness of SME written batik Jetis. Technique of taking data by spreading questioner and interview. The analysis used in this research is Internal Factor Evaluation (IFE) Matrix, External Factor Evaluation (EFE) Matrix, and Delphi method.

III. RESULT AND DISCUSSION

A. History of Written Batik Jetis

Historically, Mbah Mulyadi in 1675 who taught the first batik technique in the village of Jetis Sidoarjo regency. Mbah Mulyadi is said to be a descendant of the king of Kediri known as a polite, respectful to all people and religious obedient.

One of the local cultural heritage (local wisdom) owned by the people of Sidoarjo is batik produced in the village of Jetis - Sidoarjo. In order to fulfill consumer demand, Jetis batik craftsmen are required to produce batik works of various motifs and colors. Jetis batik motif - Sidoarjo around the year 2000 to 2010 is the fan motif, mangosteen, butterfly, lotus, dragonflies, woodpeckers and others..

B. Delphi Method

Delphi method is one of the techniques in Multi Criteria Decision Making (MCDM) based on the group opinion / idea collecting which its source consists of experts who have competence in their field (Doke and Swanson, 1995). Phase of crawl factor to get the best factor in improving competitiveness of written batik Jetis UKM by using delphi method is as follows:

1. The first phase, the speakers of 5 people are held separately, where each resource person is interviewed and write down any factors which according to the informant is considered important and need to be considered in improving the competitiveness of SME written batik

2. The second phase, Adding factors in improving the competitiveness of SME taken from scientific journals that have not been mentioned by the speakers in the first phase. The purpose of adding factors from scientific journals is to multiply factors to find the factors that really fit and worth considering in improving the competitiveness of SME written batik Jetis.

3. The third phase, looking for the selected factors of more than 50% by all sources of 5 people.

C. IFE Matrix

According to Ommani (2011) explains that the Internal Factor Evaluation (IFE) Matrix is a strategic management tool used in identifying and evaluating strengths and weaknesses in the functional areas of a business.

Internal factors that include the strengths and weaknesses of SME written batik Jetis can be seen in table I below.

TABLE I. INTERNAL FACTOR EVALUATION (IFE) MATRIX

Internal Factors		Code	Weight	Level	Weight Score
Strength Factors					
1	Indonesian written batik is officially recognized by United Nations Educational, Scientific and Cultural Organization (UNESCO).	S1	0,168	4	0,672
2	Stable price of written batik.	S2	0,178	4	0,712
3	Quality of written batik produced relatively good.	S3	0,187	4	0,748
4	Various kinds of written batik motifs produced.	S4	0,168	4	0,672
Weakness Factors					
1	There is not recruitment and selection process of employee acceptance.	W1	0,084	2	0,168
2	There is not training for employees in improving skills and abilities.	W2	0,065	1	0,065
3	There is not career development for employees.	W3	0,075	2	0,150
4	Discipline and employee motivation are lacking.	W4	0,075	2	0,150
Total			1,000		3,337

Source: data processed

Based on table I above, it can be explained that the total score of strength factor owned by SMEs batik 2,804 and total threat factor score of 0,533, and total score IFE matrix of 3,337. This shows that SME written Batik Jetis can utilize the power well by reducing the weakness.

D. EFE Matrix

According to Ommani (2011) explains that the External Factor Evaluation (EFE) Matrix is a strategic management tool used in assessing the current state of the company by visualizing and prioritizing opportunities and threats facing the company.

External factors that include opportunities and threats faced by SME written Batik Jetis - Sidoarja can be seen in table II below.

TABLE II.   EXTERNAL FACTOR EVALUATION (EFE) MATRIX

	External Factors	Code	Weight	Level	Weight Score
Opportunity Factors					
1	The trend development of fashion world is increasing.	O1	0,136	4	0,544
2	With the enactment of free market, written batik market share is still open, both local market and export market.	O2	0,136	4	0,544
3	With the development of technology, SME written batik can utilize e-commerce in marketing products produced on line.	O3	0,136	4	0,544
4	Local governments facilitate in introducing products produced by SME.	O4	0,152	4	0,608
Threat Factors					
1	The availability of labor around the environment is still lacking due to the cost of labor in SME written Batik is still low so prefer to work in factories with greater salary.	T1	0,091	2	0,182
2	There is not extracurricular in the school about how to make batik, so it can cause disinterest of the next generation of batik.	T2	0,107	3	0,321
3	The entry of batik products from other countries whose prices are relatively cheaper.	T3	0,121	3	0,363
4	Not yet know how to patent written batik products produced, so there is no legal protection against the motive of his work.	T4	0,121	3	0,363
	Total		1,000		3,469

Source: data processed

Based on table II above can be seen total EFE matrix score of 3,469 with the following details: total score of opportunity factor of 2,240 and total threat factor score of 1,229. It can be concluded that external SME written Batik Jetis - Sidoarjo can take advantage of opportunities and avoid the threats that exist.

IV.   CONCLUSION

This research finds factors that can improve the competitiveness of SME written Batik Jetis by using the method of delphi, where the selection of opinion / idea of the group that the source consists of experts who have competence in the field. There are 8 factors that affect the internal environment and 8 factors that affect the external environment of SME written Batik Jetis. By knowing these factors, it is expected to be able to survive and sustainably by improving the competitiveness and development of its human resources.

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