
Managing Entrepreneurship: An Indonesian Context

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Abstract

Positive values of Western management such as efficiency, discipline and respect for the role of the individual to influence the performance of the organisation. American corporate management practices cannot be separated from values and rationality embraced by the community. Efforts to achieve organisational effectiveness depends on environmental factors, one of which cultural factors. Culture is the value system embraced by the environment, including the work environment. Based on Hofstede's cultural dimensions, the collectivist, Indonesia, entrepreneurial management model has the potential to develop the business goals that have value and uniqueness.

Keywords

Entrepreneurship, Management

INTRODUCTION

Entrepreneurship is often associated with a country's economic growth. For example, the collapse of many large companies due to the economic turmoil in the United States behind the development of small businesses as a form of new jobs (Zimmerman, 2009). This phenomenon is relevant to the type of change agents in the economic system by Cantillon (1734) referred to as entrepreneurs (arbitrators) that the parties can make a profit under conditions of uncertainty. Say (1803) expanded the concept by adding functionality Cantillon entrepreneur an entrepreneur (owner of the company) as a coordinator, leader and manager. Entrepreneurs believed to be an agent that can identify market opportunities and seek to create new combinations of knowledge, resources, and existing facilities to address these opportunities (Schumpeter, 1934). Various literature in Western countries describes as a successful entrepreneur figure-oriented businessman rivalry and the courage to take risks (Hatcher et al., 2007). It is not independent of cultural values that lie behind them. Hofstede (1980) explains that there is a relationship between the courage to take risks individualism-collectivism. Individuals who come from countries with individualistic cultural values tend to be more independent and want autonomy in decision-making processes (Morris et al., 1993) People in individualist cultures see failure as a natural thing that people more willing to take the risk. It is also consistent with the

need for achievement motivation theory McClelland (1960) that legitimises individuals with individualism cultural background are more likely to become entrepreneurs than individuals with the collectivist cultural background (Mueller and Thomas, 2000). However, in its development, entrepreneurship phenomenon does not only occur in countries with a cultural value of individualism. In some countries with backgrounds collectivism orientation, entrepreneurial practice is proliferating. China and Korea represent a picture of the success of the practice of entrepreneurship in countries with collectivist cultural values. This phenomenon began to occur, but Indonesian entrepreneurial management practices cannot be separated from the influence of the various models of successful entrepreneurship in western countries. While Indonesia as a collectivist country has its value in the business behaves. Networking capabilities to be one crucial factor that determines the success of a business in Indonesia. Additionally, togetherness becomes very respected people of Indonesia and a significant concern in running a business. This study aims to understand the meaning of togetherness in the practice of entrepreneurship and how the consequences of the management of the business with collectivist cultural background.

LITERATURE REVIEW AND HYPOTHESES

Characteristics Of Entrepreneurship

Hisrich (1990) believes that entrepreneurship is the creator of value through the sacrifice of time and are willing to bear the financial risk, psychological and social in order to obtain rewards and personal satisfaction. Drucker (1985) defines entrepreneurship as the spirit, skills, attitudes and behaviour of individuals in managing business directed to find, create, implement ways of working, new technology and products efficiently for better service or achieving greater profit. Drucker describes further aspects of entrepreneurship. First, the ability to identify opportunities and exploit them by taking a series of activities changes. Second, self-confidence and a positive attitude. Third, leadership in directing behaviour and is responsible for developing the business. Fourth, the initiative to foster creativity and innovation to produce a new product or method. Fifth, have a willingness to work hard are supported with perseverance and fortitude to achieve the goal. Sixth, have good vision and future-oriented. Seventh, the courage to take the risk, even in conditions of uncertainty are supported by functional analysis.

Collectivist Values

Values are the principles that determine a person's behaviour. Value is the essence of a culture. Skinner (1981) defines culture as a set of behavioural reinforcement. Culture is a pattern of shared assumptions believed and studied by a group when solving a problem by adopting external and internal integration where the truth has been sufficiently taken into account. It can be taught to new members of the group so that the individual can see, feel and think the working out their relations with existing problems. Culture is a collective phenomenon that is believed by the individuals who live in a place. Hofstede (1997) defines culture as the collective mental programming that distinguishes one group of people and another. Cultural values consist of two aspects, namely how one should behave and the attitudes a person's expectations of society (Hofstede, 2005). Collectivist cultural values characterised by the harmony, interdependence and contention avoidance (2005). Collectivist values potentially improve the effectiveness of the group and the ability to achieve a common goal (Zammuto, 1991). Harmonisation is a binder in the strength of a

group. Collectivist cultures also looked at the relationship between the leader and the follower as a relationship that is based on moral which acts as a protective leader and subordinates showed loyalty. In the management of a business or organisation, collectivist societies interact emotionally. In an organisation, individuals with collectivist values have a close relationship. Individuals in collectivist cultures are sensitive to social influence and importance of the development of related social skills (Hui and Triandis, 1986). Collectivist society puts the interests of the group above the individual interests (Hofstede, 1997). Group member identity for a person whose name is so well known concept of "we ". The group is a resting-place for its members. Collectivist societies legitimise the integration of individuals in a group with strong social cohesion and a sense of loyalty. Collective activities reigned supreme and promote harmony and cooperation to achieve group goals.

Collectivist Values And Entrepreneurship

Individuals in collectivist cultural values tend to behave actively in building social relationships. This is in line with the theory that describes the networking that successful entrepreneurs have a definite pattern of conduct establishing social relationships. Individuals in a collectivist culture are also characterised by extended family and friends who were instrumental in the formation of social capital (Hommans, 1950) and had the potential to be a unique resource that can form a competitive advantage (Luczak et al., 2010). Types of relationships in collectivist cultures allow accessing capital in the establishment of a business, the process of obtaining business ideas, ease in relationships with suppliers and distributors as well as advice for business development (Davidson and Honig, 2003).

The value of individualism-collectivism also associated with leadership and conflict resolution (Early, 1998). In collectivist cultures, being a leader is more paternalistic as the father figure (Hofstede, 1991). In the management of the business, an entrepreneur in countries with collectivist cultural values can assist and guide employees in achieving business goals. While individuals with a collectivist cultural background in direct competition-oriented employees (Cundiff, 2010).

Entrepreneurship In Indonesia

Economic development in a country cannot be separated from the support of qualified human resources. A large number of the population of Indonesia will be more appropriate when directed at improving entrepreneurship. This is due to the availability of labour conditions that are not comparable to the jobs available. Entrepreneurship became one chance in solving problems of economic development. The increasing number of businesses developed by entrepreneurship can create jobs and address the significant issues facing Indonesia is essential today is unemployment. The critical role of entrepreneurship for a country composed of four terms. First, strengthen economic growth by creating new jobs for the community. Second, increasing productivity by improving the ability to produce more goods and services, as well as the creation of new products. Third, technology creates new products and services by utilising the latest technology changes to enable the creation of new product innovations. Fourth, transform and rejuvenate the market by actively improving the quality of products that are ready and have the added value and competitive in price in order to increase competitiveness in the global market.

Indonesia is the world's largest economy's GDP at No. 16 with 45 million middle class. A total of 53 % of the population in the city contributed 71 % to the total GDP of 55 million skilled workforces of 118 million workers. Indonesia's current market opportunities to reach 0.5 trillion U.S. dollars per / year. In terms of micro, small and medium enterprises (SMEs), Indonesia proved to be more resilient to the economic crisis. As many as 50 % contributions of economic growth contributed by small and medium scale enterprises and 90 % of employers Indonesia is an actor in the business scale. The existence of small and medium scale enterprises showed the entrepreneurial spirit of Indonesian society. The family's financial situation still drives light of reason to build a business; the business actors in Indonesia is not good that the management of the business has not performed optimally.

METHODS

This study used qualitative methods grounded research approach to finding substantive aspects based on the fact that occur in the field. Stages of this research include the step of sampling and data analysis. At this stage, extensive sampling covering business owners in two business areas in Purwokerto. In this stage also performed labelling, naming and preparation for the next coding category. In the second stage of relational and variational sampling done by taking samples in each area based on the behaviour that is considered quite prominent in applying shared values in the business. Then performed case studies of businesses. The data obtained were then analysed using axial coding. In the third stage of sampling differentiator through mechanisms benchmarking information against data obtained from expert informants. The data obtained were then analysed using selective coding.

RESULTS AND DISCUSSION

This study suggests that the meaning of togetherness role in running a business. Entrepreneurs who can translate the meaning of togetherness in their business activities are better able to develop their business. Meaning of togetherness manifests itself in the form of efforts to build business networks. The process of sharing ideas, information and even advice gained from this activity. Willingness to share the build ties among the businesses. Some of them formed a community called community. Various agreements can be generated through a meeting between members of the association. Cooperation opportunities also arise from this activity. Circle of Friends is not only made up of similar business but can also form from different businesses.

In terms of managing the employee, the more businesses to position themselves as the protector. Employees are directed to cooperate with other. Business owners also have a sensitivity and awareness of the problems that arise between employees either work-related or personal. Not infrequently, business owners act as the mediator and facilitate to reconcile. Therefore, the relationship between business owners and employees are not only limited to labour relations but more like family. Form a relationship like this can foster a sense of loyalty and have on the employee.

CONCLUSION

Entrepreneurship growing trend in western countries with individualist cultural values influences the practice of entrepreneurship in eastern countries which tend to be patterned collectivist. Independence and courage to take risks that are based on the need to perform a significant factor driving the success of an entrepreneur. In collectivist cultures such as Indonesia, developing entrepreneurship in different ways. Develop business with a unique spirit that can deliver success for the business. Building a network is a necessity for businesses in Indonesia. Identity, as well as the support, can be obtained from this activity. In terms of managing, employees can direct the spirit of loyalty and feelings have on the employee.

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