

The development of small and medium enterprises in North Kolaka Regency

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Abstract. In facing the challenges of the global economy, one of the economic pillars that survives in the midst of changing flows is Small and Medium Enterprises. With a variety of regional potentials owned by North Kolaka, it is expected that the existing Small and Medium Enterprises can develop by maximizing the potential that exists in North Kolaka Regency. This study aims to analyze and describe the Development of Small and Medium Enterprises (SMEs) in North Kolaka Regency. The research approach used was qualitative. This research is action research or known as participatory action research (PAR). The results of the study show that the development of small and medium enterprises in the district of North Kolaka still relies heavily on access provided by the local government through the services of Cooperatives and Small and Medium Enterprises including access to capital, market provision and increased human resource capabilities.

1. Introduction

One of the main problems found in the regions is the creation of employment opportunities for the population of the region. Today, many productive-age residents in areas that do not work due to lack of availability of jobs, even though the most fundamental measure for the success of a government in a modern country is how far the government has succeeded in creating employment for the citizens [1].

Since the occurrence of the monetary crisis, Small and Medium Enterprises are economic sectors that are able to withstand economic turmoil. So that it is expected that small and medium enterprises can develop and expand the market. The problem faced by SMEs in North Kolaka Regency, however, is the weak management capability of SMEs in managing the economic management of the people, including capital. Capital is a classic problem for SMEs in which in general they complain about the limited capital that causes their businesses to grow from year to year to become larger and the cause of SMEs experiencing nearly death or collapse is the inability of managers to manage the administration and financial problems of SMEs themselves. Therefore, SME development needs to get great attention from both the government and society in order to develop more competitively with other economic actors. Government policies in the future need to be sought more conducive to the growth and development of SMEs.

The formulation of the problem in this study is How the Development of Small and Medium Enterprises in North Kolaka Regency. The purpose of this study was to analyze and describe the Development of Small and Medium Enterprises in North Kolaka Regency.



2. Methods

In accordance with the objectives to be achieved in this study, namely analyzing and describing the Development of Small and Medium Enterprises in Kolaka Utara District, this study employs a qualitative approach and the type of research is action research known as participatory action research (PAR). Basically, PAR is a study that actively involves all relevant parties (stakeholders) in reviewing ongoing actions (where their own practice is a problem) in order to make changes and better improvements [2].

The research was conducted in Kolaka Utara (North Kolaka) regency including small and medium business owners, local governments, and communities. In collecting the data, this study uses techniques, namely:

- Observation; Through observation, researchers are expected to be able to observe various symptoms that occur in research problems. The focus of the observation is directed at the problem that is at the center of the attention of researchers, namely the number of small and medium enterprises currently in existence and the potential for new businesses. Researchers carry out observations using observation guidelines to obtain the desired data and any information found is then recorded in the form of field notes. Field notes then are used by researchers to record the process of learning activities as concrete evidence for analyzing data.
- In-depth interviews; this technique is very important to explore the collaborative process and the factors that influence collaborative governance. Interviews are conducted in depth and unstructured (unstructured interview) to the subject of research with guidelines. The interview guide used is an outline of the questions to be asked. So that through this method, it is expected that interviews can take place in an atmosphere that is not rigid and it can be developed along with the flow of conversation. This technique is expected to be able to dig deeper data on informants who are not revealed when using observation. Informants in this study included elements of the government, the private sector and the community.
- Focus group discussions; To increase the accuracy of the data generated from observations and interviews, it is necessary to check by making focus discussions between the informants or data. With this group discussion, it is expected to increase the degree of reliability of data; and
- Documentation; to obtain secondary data mostly through documentation, documents can be in the form of written data, images or statistical data. Certain documents are explicit knowledge that is very useful to be classified and analyzed [3].

In accordance with the type of research above, the researchers used an interactive model from Miles and Huberman [3] to analyze the research data. Activities in qualitative data analysis are carried out interactively and take place continuously until completed, so the data is saturated. The interactive models referred to are as follows: reducing data, describing data and making conclusions. Reducing data is an activity of selecting data in accordance with the focus of the problem. At this stage, the researcher collects all the instruments used to collect data to be grouped according to the problem. It also allows researchers to discard unnecessary data and to describe the data so that the data that has been organized becomes meaningful. The form of the description can be in the form of a narrative, graph or in a table. The final stage is to draw conclusions from the data that has been described. The stage of analyzing and interpreting the data is the most important stage because it is to define the collected data.

Furthermore, to check the validity of the data in this study, researchers used the technique

- Triangulation: in the process of this research, researchers check the validation of the data obtained by means of comparing the results of observations with the results of interviews and comparing data which is obtained through interviews and observations
- Member Check: the purpose of membercheck is that the information obtained and is used in report writing in accordance with what is meant by data sources or informants. This stage is done to obtain credibility of the results of the research, so that the information is justified by the research subjects. The membercheck stage includes the activity of compiling research reports

obtained from the exploration stage and submitting the report to each respondent to be re-examined for its reliability.

- Expert Opinion: Consult the research findings in the field to experts who have specialized in their fields of research to obtain direction and various inputs, so that the validity of this research can be justified.

3. Results

Small and medium businesses are a growing potential in the midst of the rigors of global economic competition. It is obvious that all of them are not young, turning their palms have a direct role in participating in being able to control and provide work techniques. Therefore, as individuals and organizations, to be able to survive and develop in this era of competition needs to show increased performance. As an individual, the basic capital to be able to demonstrate performance is mastery of expertise (competency) which includes: technical competence, namely mastery of certain scientific fields such as technology, law, economics, and so on. Managerial competence, this is related to one's ability in the field of leadership to empower all available resources. Behavioral competency, in this case concerns the ethics, mastery of emotions, motivation and the level of one's wisdom [4].

Individual mastery makes a person able to show good performance wherever he or she is. In an organization that is built by a system consisting of human resources, equipment and facilities, finance, and work mechanisms, it will become an organization that performs well if there is a gap between these components. Dynamic organizations will always increase their productivity and maintain their competitive advantage [5].

Paying attention to physical, financial, marketing, and human resources is a number of important factors required for organizations to remain competitive. The involvement of people in the new process can take a lot of time. They tend to forget the more important aspects, especially the need to focus on benefits and results. In the initial stage, the fulfillment of quality greatly seizes activities especially filling in formats and other documents must be in accordance with the quality manual document. So that it focuses on filling out the document itself, rather than the processes that should be understood and improved. Organizations need to focus on important elements of performance. Although the various measurement methods are different (balanced Scorecard, Six Sigma, etc.), what is important is achieving the expected improvements, increasing the benefits and values. But there are several indicators that are usually used to measure performance namely productivity, service quality, responsiveness, responsibility, and accountability.

3.1 Productivity

The Kolaka Utara District Cooperative Office always strives to carry out its assigned duties in accordance with applicable regulations, although there are still criticisms originating from external parties / communities. The Kolaka Utara District Cooperative Office is possible in avoiding a culture of poor performance because this can cause barriers in an organization to be hampered. The cultural criticism of performance that is less than the external or community aspect includes:

- Unclear division of tasks and authority in an organization has implications for the obscurity of service to the community. This ambiguity is also caused by the ineffective communication between each member, causing confusion for the people who really need services. Many people complain about the poor service available. This is because employees who provide information that is unclear and difficult to understand.
- There is no unity of understanding of a matter between employees with one another resulting in the information received by the community becoming unclear. This means that existing communication is ineffective.
- Throwing responsibility is also often done and the public is confused with the situation. Even though there are job specifications, it does not rule out the possibility of a task that should be performed by employee A is easily thrown to employee B.

- The attitude of discipline that is very less than the employee and there are no clear sanctions for a violation. Sometimes, the people who are in desperate condition need of service must wait, because the employees have not arrived for unclear reasons. However, the community can only be patient because there are no strict sanctions because of the indiscipline [6].

The Office of Cooperatives is the level of government that interacts the most with the community or UKM actors in terms of providing public services, providing socialization, guidance and guidance including the North Kolaka Regency Cooperative Office. However, in its implementation, there are many complaints about socialization, guidance given to SMEs.

The Government of the Kolaka Utara Regency Cooperative Office in providing guidance and supervision to the SME community members has not run properly this is because it is very rare for the North Kolaka Regency Cooperative Department employees to be involved in providing information, guidance and supervision to SMEs who in Kabupaten Kolaka Utara, the guidance and supervision carried out by SME Cooperatives by the North Kolaka Regency Office of Cooperatives is only carried out in the area around the office, considering that the Cooperative Office employees are busy carrying out reports that must be completed immediately so as to improve the quality of services provided to SMEs not yet maximized.

3.2 Service Quality

In improving the performance of public services, the Cooperative Office always strives to improve the quality of human resources in the provision of good services to the community, especially to SMEs by the Cooperative Service by following technical guidance in order to gain understanding and ability to carry out work in accordance with their respective fields of work [7].

The Kolaka Utara Regency Cooperative Office has been able to fulfill adequate facilities to support the continuity of better performance. From the statement, it can be seen that the Office of Cooperative Office especially regarding performance improvement has been good in terms of its implementation where physical facilities and adequate facilities and infrastructure can be fulfilled to improve services and performance by the Kolaka Utara Regency Cooperative Office.

3.3 Responsiveness

Responsiveness means the ability of the Kolaka Utara District Cooperative Office in responding to the problems and desires of SME actors in the services they need, in this case responsiveness is shown by how responsive the Kolaka Utara Regency Cooperative Office is in responding to complaints from SME community members who experience difficulties or obstacles in the process of service needed. The Sumatra Utara District Cooperative Office as one of the government sectors in providing services to the community of SMEs is not spared complaints from the community of SMEs themselves. This occurs because of different characteristics. The community of SMEs as service recipients will feel happy with the attitude of the officer or employee who is serious about handling every problem presented and together looking for a way out. Employees in this situation must have the willingness to solve problems and obstacles carefully, accurately, and wisely.

The problems of the SMEs are one of the expressions of the assessment of the quality of services they obtain. Complaints arise because of a feeling of dissatisfaction. However the complaint comes and the goal is for each employee to prepare mentally in the face of complaints. Based on the results of the study and the results of observations regarding the responsiveness or responsiveness of the employees in giving follow-up actions to the community of SMEs, it can be concluded that the employees at the Kolaka Utara District Cooperative service have not fully run well, because both employees sometimes there is no office at work hours, and also regarding the existing facilities and infrastructure, especially electronic media facilities that cannot be fulfilled properly [8].

In general, from some of the statements above, it can be concluded that responsiveness or responsiveness of the North Kolaka District Cooperative Office staff is still low. Because there are still many complaints from the community, SMEs and employees have not attempted to meet the complaints of SMEs and have not acted appropriately to the community, but not all aspirations or

desires of the community of SMEs can be fulfilled. Some community members of SMEs felt that the complaints they conveyed had not yet been addressed especially the problem of the readiness of the employees to be at the office during work hours, because there were still a number of employees who handled small and medium-sized businesses rarely, and also about the condition of facilities and electronic media infrastructure such as computers is still lacking.

3.4 Responsibility

The North Kolaka Small and Medium Enterprises Cooperative in providing services to SMEs is good at listening to suggestions. When entering to what they give, sometimes they have to argue with SMEs. Things like this are examples of real phenomena where responsibility collides with responsiveness. In terms of the responsibility of employees at the Kolaka Utara Small and Medium Enterprises Cooperative Office, they must carry out their duties in accordance with existing principles or policies, on the other hand, in terms of employee responsiveness, they must respond to the wishes of SMEs continue. In this case, if the employee is carrying out the task of providing services that are not in accordance with the principles and policies of the office of the Small and Medium Enterprises Cooperative of North Kolaka Regency [9]. Therefore, employees always adhere to existing principles and policies.

3.5 Accountability

All parties who provide services must work diligently and according to professionalism and discipline. In addition, the clarity of the rules, including the clarity of policies, laws and regulations, and regional regulations in the field of implementation of services, is needed so that each employee is able to carry out his or her duties and authority properly [10]. The needs are emphasized to the large task given by the North Sumatra District Cooperative Coordinator. Accordingly, accountability is needed as proof of the implementation of its duties in certain periods. Regarding the accountability of the official staff of North Kolaka Regency cooperatives in accordance with the rules and regulations responsibility for service delivery, and also the implementation of tasks carried out reported periodically in the form of reports of work and tasks. With the accountability report, it can be seen whether the realization obtained is appropriate or not [11]. From what has been explained, it can be seen that the implementation of service performance improvement in the Kolaka Utara Regency Cooperative Office has been accountable to the government.

4. Conclusion

The development of small and medium enterprises in the Kolaka Utara Regency involves the government, private sector and the community. The local government through the Office of Cooperatives and Small and Medium Enterprises still dominates, so that the development of small and medium enterprises in Kolaka Utara Regency still relies on access to financial resources and increasing human resources. Private in this case is the capital provider and marketing provider. The community is as a business actor and also as a target for users of small and medium enterprises. The form of small businesses in Kolaka Utara Regency is dominated by increasing commercial products for household needs, then processed food products made from bananas and some superior commodities in Kolaka Utara Regency is still productive and supported by the capital of the government and the private sector.

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