The Level Global Competitiveness and Personal Level Development of Aceh Handicraft Entrepreneurs

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The aim of this study was to examine the level of global competitiveness and personal development of handicraft entrepreneurs. Differences between the level of competitiveness and educational background, level of labour skills, type of product, market area and sale methods. The total of 155 participants handicraft have business minimum of three years. The data were collected by distributing a questioner which is divided into six part, entrepreneur profiles, business profiles, business support, business market, used of technology, innovation of product and personal entrepreneur development. Questionnaires and instrument was adapted from Nor Aishah (2009) will use to research. Six person already selected were interviewed to further explicate and support the phenomenon this research. This study also determines whether the level competitiveness and personal development have a positive relationship with entrepreneurs. Result of descriptive analysis found that the mean level of the handicrafts entrepreneur competitiveness at a moderately high (min 3.46). Pearson correlation analysis showed a positive correlation but moderate strong between the level of competitiveness and the level of personal development entrepreneurs handicraft with value (r=0.443). One-way ANOVA test results shown there are two significant difference between the level competitiveness with industry type [F (2,152) = 0.042, p<0.05] and the level competitiveness with sale methods [F (2,152) = 6.754, p<0.05]. While there are significant difference between the level of personal development with industry type [F (2,152) = 5.933, p<0.05]. Some implications and recommendations of the study have been submitted for review in the future, especially to institutions, researchers and entrepreneurs of Aceh handicraft to be more competitive and improve business performance at the global level. In this context, competitiveness and personal development of handicraft entrepreneurs needs to be well planned in order to develop successful and competitive global market.

Keywords: Entrepreneurs, Global competitiveness, Handicraft, Business.

1. INTRODUCTION

The development and process of globalization at this time are expanding very rapidly so that the rapid changes in our environment are happening. The phenomenon created by the current globalization demands for every activity that has added value and high knowledge. For entrepreneurs, there are many opportunities at this time that promise to improve commerce, but also cause a challenge that cannot be overcome. Despite promising opportunities on business people but it also demands drastic change to ensure they can compete with the global economic market. For entrepreneurs that want to compete they need to make changes in a memorable manner in accordance with current changes. The nature of competition changes based on competing with opponent.

The nature of competition changes based competing with opponent. This increasingly sharp global competition only won by entrepreneurs that have high competitiveness and continue. Competitiveness in question is the ability to compete with speed, productivity, quality and innovation. One of the main pointers is the source of human possessions, so the current competition is not only to support the use of technology but also the human source. Technology is relatively easy to acquire and purchases but requires a systematic effort.

Global competitiveness relies heavily on the pursuit of entrepreneurs to learn and use modern technology in traded businesses. According to Norasmah [1] and Halimah Harun [2] this implies that the competitiveness of an entrepreneur is also conveyed by the circumstances of the same commercial environment as inner or outer.
Therefore, the ability to recognize and adapt to environmental changes is very important to a good business.

For entrepreneurs, this human resource is necessary to ensure the running of a business to perfection. Moreover, Indonesia is an ASEAN (Association of Southeast Asian Nations) and by the end of 2015 has entered the ASEAN Economic Community in the new era of implementation of free trade in Southeast Asia region that is ASEAN Free Trade Area (AFTA) in order to increase global competitiveness and make ASEAN a world expenditure base. Entrepreneurs are required to be more professional in running the business used to be able to win the game products originating from other ASEAN countries both in taking advantage of the domestic market opportunities and other markets of the country [3].

The role of marketing in the modern world requires entrepreneurs to use the ease of ASEAN market network in order to master and add export value. This has proven that the presence of entrepreneurs at this time has grown in the sector of handicrafting industry is highly competitive. The hand crafted products produced by entrepreneurs are handicraft souvenirs, rattan crafts and wood craftsmanship. As a product supplier for the society inside and outside the country, businessman of hand crafted is demanded to be more active in selling and promoting its products with global competitiveness.

Indonesia has enormous potential for the world's largest population of hand crafted sales and no wonder if foreign entrepreneurs are interested in investing in the country. The handicraft selling industry in Indonesia is a strategic industry for the development of the Indonesian economy if properly managed. Especially in Aceh which has one of the handicrafting industries with increasing demand every year. Entrepreneur crafting will be determined by the glory of innovating and also the commercial marketing activities, because this is a very high selling point to the public [4].

2. LITERATURE BACKGROUND

The global crisis of the world begins to widen and competition between countries becomes more competitive. It is important to countries to determine their attitude as a nation in mastering world ranking trading to face globalization. Countries that are not prepared will get the impression of a prolonged crisis. Like Indonesia, it can be said that it is not ready in facing global change, since the crisis in 1998 until 2008 Indonesia has not been able to solve the crisis problem. According to Hery Prasetya [5], many things affect the crisis, among others (i) the state of national and political safety is unstable, (ii) the increasingly difficult economic situation and no best solution and (iii) Indonesia's national competitiveness.

The competitiveness rating of the World Economy Forum (2016) on the Table I shows that Indonesia's competitiveness in ASEAN rankings is increasing by 2014 until 2015 it will be from 38 (2014) to 34 (2015) and fall back to rank 41 (2016) out of the 148 most competitive countries in the world. In 2016 Indonesia's rankings are still below Singapore (2), Malaysia (25) and Thailand (34), but ahead of the Philippines (57), Brunei Darussalam (58), Vietnam (60), Cambodia (89) and Laos (93).

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<td>Malaysia</td>
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<td>Brunei Darussalam</td>
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<td>4.</td>
<td>Thailand</td>
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<td>Indonesia</td>
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<td>6.</td>
<td>Philippines</td>
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<td>7.</td>
<td>Vietnam</td>
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<td>Laos</td>
<td>81</td>
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<td>9.</td>
<td>Cambodia</td>
<td>88</td>
<td>90</td>
<td>89</td>
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<tr>
<td>10.</td>
<td>Myanmar</td>
<td>139</td>
<td>131</td>
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Strengthen by the increase in global competitiveness in every developed countries, then in the future Indonesia must have a great capability to be an important player in the world economy, at least Asia Pacific rankings. Economic growth must be harmonized with qualified human resources for high competitiveness. According to the State Ministry of Finance in 2014, Indonesia's economic growth for the period 2005 to 2013 is not high enough to have only 5.8 percent. Similarly, the growth of Indonesia's human resources quality scored by Human Development Index only increased from 0.640 in 2005 to 0.684 in 2013 [6].

Meanwhile, the export of industrial products in the month of January 2015 has an amount USD 9.07 billion and contributed to the government of 68.17 percent of the total state exports. As for the import of industrial products of January 2015 amounted to USD 9.70 billion or is arguably down by 8.29 percent compared to 2014 amounted to 10.58 billion [7]. The government of Indonesia is very confident that the trade achievements for the industrial sector are increasingly competitive and may increase in the future.

The demand for Indonesian hand-crafted products of the country goes up to increase, rather than only 15.5 trillion Rupiah in 2010, reaching 21.7 trillion Rupiah in 2013, which experienced an average increase of 11.85 percent annually. The export value of 2013 contributed 18.26 percent to the export of the creative economy sector and 1.04 percent to the total exports of Indonesia. The contribution is the third of the Indonesian creative industry as a whole, only to lose to the fashion industry.

As stated above, one of the important elements to promote the region's economic growth is follow the competition over the world market. According Statistic Central Department of Aceh [8], the first tribe in 2015, the industry in Aceh has contributed as much as 8.39 percent and 9,109 people for energy. The figure is 75.60 percent of the total of industrial sector workers in Aceh. Thus, if the entire industry in Aceh is getting ahead and prospering, its contribution to the use of labour is increasing, reducing the number of unemployed. Based
on that issue, this case may apply only if the human and industrial resources in Aceh are highly competitive.

The role of the craft hand industry is also known in terms of its contribution to the regional economic opinion. In 2015, the craft hand industry has donated 1.65 trillion rupiah, increase 3.83 percent of the total revenue of the craftsmen industry in Indonesia [9]. This means that the hand crafted industry still has a great opportunity to increase its role as increased competitiveness. The hand-crafted businessmen recognize that there is still a great deal of potential for any hand crafting industry especially for each region that has its own uniqueness. Therefore, it is important to recognize and improve the competitiveness of the hand crafting industry in Aceh. Past studies with researchers Henderson and Robertson [10], Norasmah [11], Norsida [12] and Mohd Hassan et al., [13] on entrepreneurs are quite extensive but the scope of the study focuses more on the challenges to doing business, attitude, personality, entrepreneurial development, interest and confidence of entrepreneurs who have borrowed from the government. There are also studies on the competitiveness of women entrepreneurs by Noor Aini [14], Bumiputera level of competitiveness by Kamaruddin [15] and the level of personal development of entrepreneurs studied by Zoltan and Jose [16].

Some researchers from Aceh and outside Aceh such as Claudia [17], Irwan [18], Khalsiah [19], Hilma [20] and Novialita [21]. According Kamaruddin, that he support all researcher that a business is a competitive factor of conducting research and innovation activities on production products, less exploring overseas market areas and using conventional product sales so as to have strong competitiveness. The increase in competitiveness of each industry sector, especially the handicraft industry, is crucial in order to compete in the domestic market as well as in the export market based on existing potential. The goal is to add new markets and increase to export to value. It is why the competitiveness of the handicraft industry in Aceh will become more competitive globally.

3. CONCEPTUAL FRAMEWORK
The framework is based on learning organizational by Slater and Narver the competitiveness model. The competitiveness model for learning of Slater and Narver organizations has been modified and used as a basis for assisting researchers in the development of hypotheses, the process of collecting and analyzing the study data [22]. Although there are many popular models and competitive theories for example Portes competitiveness model, Economci scale model and the Heckscher Competitiveness Model. The researcher decide this model because the researcher supported and agreed with Porter [23], Baldacchino [24], Watson [25], and Mohd Ali [26] that most of these theories and models are developed from the classic period so today is statistical as it focuses only on the advantages of firm versus manufacturing and market factors that the entrepreneur can develop. The competitiveness model for learning by Slater and Narver Organization of adaptation and involves exploring the concept of continuous organizational learning. This model also involves the exploration of new ideas, modifications, domestic marketing and exports, use of new media such as internet, technology mastery to help entrepreneurs develop their companies in the trading world. This model is more understandable and it is more dynamic in measuring the level of competitiveness. Slater and Narver also adopted a Resources Based View (RBV) model in building a conceptual study of competitiveness [27]. This is because the model combines two concepts of key elements of competitiveness resources and capabilities. This clearly demonstrates a high level of competitiveness in controlling certain resources and seeks to build a good organization of the face of competition.

The results of the understanding have been adapted to Slater and Narver Competitiveness Model, the researcher develops a conceptual framework that have three main components namely i) global competitiveness element, ii) personal development element and iii) Global competitiveness of entrepreneurs. The review framework explains that the elements of competitiveness and knowledge elements affect global competitiveness. The global competitiveness element is integral to the elements of ability to explore the domestic and export markets, ICT skills, business management capabilities and product innovation capabilities. While the development element is comprised of factor elements attending entrepreneurship courses, training, seminars, and workshops, obtaining information on internet sources, magazines and books for learning, based on work experience and following entourage or business-related visits. Global competitiveness is measured by the performance of the entrepreneur in running the company and is capable of competitiveness and extensive knowledge. The demographic factors of this study include educational background, industry type, and skill level of workers, market area and sales method. Variable selection was adapted to Nor Aishah questionnaire [28].

4. METHODOLOGY
This study used the survey design from previous studies and quantitative approaches as the main approach to the study. Interview methods are also used in the context of this study. However, this method is only used for the purpose of making follow-ups to clarify the more detailed on the phenomenon identified in some of the findings that can be through quantitative income. However, the use of interview methods in this study is only to obtain a more detailed explanation of the phenomenon identified in the quantitative approach. Hence, the interview method is not as intense as the interview method used in the actual qualitative study and the methods of mixed methods. The process of data collection in this study was done in stages and sequentially starting with data collection through
quantitative methods until the completion of data analysis. Subsequently, it was followed by the interview method to provide further clarification on some of the findings obtained through quantitative findings. This is very parallel with Creswell and Clark [29] suggestions which explains the quantitative method suitable to be combined with the qualitative method to provide an accurate explanation of the numerical data of a study studied.

For the purpose of this study, researchers use the list of entrepreneurs around the city as the main sample. The researcher chose a random sampling technique to select the sample of this study. This random sampling technique specifies a sample based on the opportunity. Some randomized selections have been identified including the ability to control the tendencies towards the researcher consciously or not in the selecting samples that can support the assumptions and hypotheses that have been appointed.

A total sample is 155 respondents among Aceh handicraft entrepreneurs. The data collection was done through two instruments, with the questionnaires and interviews. The instrument questionnaire adapted from Nor Aishah is used. While the interview method is used to obtain more detailed explanations for strengthening and enriching the phenomenon obtained through a questionnaire instrument. A total of six participants in the interview method were selected through the use of selective techniques aimed at handicraft entrepreneurs.

Pilot studies have also been conducted to test the validity and reliability of the items in the questionnaire. The purpose of this pilot study is to ensure that the questions presented are easy to understand, concise, clear and meet the requirements of the study. Thus, the pilot study was conducted on 30 entrepreneurs who were not the respondents in the actual study. After conducting pilot studies, confusing items have been modified.

Before the actual study was carried out, the researcher referred and then listened to the supervisor for the correction. Reliability analysis is conducted for all items of the question. The design of the study uses quantitative methods that will be analyses using the SPSS (Statistical Package for Social Science) by using descriptive statistics of mean, standard deviation and percentage of the summons presented in the form of tables and diagrams. While inferential statistics are used such as correlation of the Pearson and one way ANOVA of Aceh handicraft industry.

In summary, descriptive and inferential statistical analysis used in analyze the findings collected through questionnaires and competitiveness level instruments.

5. RESULTS AND DISCUSSION
The level of global competitiveness of handicraft entrepreneurs is at moderate high and moderate low levels. The results show in Table II is seen through the achievement of the mean score of between 2.93 and 3.78. Overall, the level of global competitiveness of handicraft entrepreneurs is at a low level with score scores (mean = 3.46). The findings also found that the highest mean was the ability to explore market opportunities (mean = 3.78). The ability to innovation activity has a score (mean = 3.67), while used the technology by a company that earns the lowest (mean = 2.93) compared to other components. In conclusion, this finding demonstrates that the level of competitiveness of Acehnese handicraft entrepreneurs is largely attributed to market driven capabilities followed by the use of innovation and technology activities that are the lowest contributors.

### Table II. Mean Score for Global Competitiveness of Aceh Handicraft Entrepreneurs

<table>
<thead>
<tr>
<th>Dimension of Competitiveness</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to explore of market opportunity</td>
<td>3.78</td>
<td>1.05</td>
<td>Moderate high</td>
</tr>
<tr>
<td>Use technology for business innovation activities performed by the company</td>
<td>2.93</td>
<td>0.97</td>
<td>Moderate low</td>
</tr>
<tr>
<td></td>
<td>3.67</td>
<td>1.02</td>
<td>Moderate High</td>
</tr>
<tr>
<td>Overall of competitiveness level</td>
<td>3.46</td>
<td>1.02</td>
<td>Moderate high</td>
</tr>
</tbody>
</table>

The findings show in Table III personal development of Aceh entrepreneur that the highest mean value is the training attended by entrepreneurs contributing to business success (mean = 4.56). Then have a social network to expand the business (mean = 4.54).

### Table III. Mean Score for Global Competitiveness of Aceh Handicraft Entrepreneurs

<table>
<thead>
<tr>
<th>Dimension of Competitiveness</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Courses contribute to business success</td>
<td>3.82</td>
<td>0.47</td>
<td>Moderate high</td>
</tr>
<tr>
<td>Training contribute to business success</td>
<td>4.56</td>
<td>0.55</td>
<td>High</td>
</tr>
<tr>
<td>Seminar contribute to business success</td>
<td>3.46</td>
<td>0.43</td>
<td>Moderate high</td>
</tr>
<tr>
<td>Information from the internet is used for business advancement</td>
<td>3.23</td>
<td>0.62</td>
<td>Moderate high</td>
</tr>
<tr>
<td>Information from the magazines is used for business advancement</td>
<td>3.32</td>
<td>0.4</td>
<td>Moderate high</td>
</tr>
<tr>
<td>Information from the books is used for business advancement</td>
<td>4.17</td>
<td>0.51</td>
<td>High</td>
</tr>
<tr>
<td>Allocate money on formal and informal learning for business advancement</td>
<td>3.56</td>
<td>0.44</td>
<td>Moderate high</td>
</tr>
<tr>
<td>Have a social network to expand business</td>
<td>1.54</td>
<td>0.58</td>
<td>High</td>
</tr>
<tr>
<td>Overall of competitiveness level</td>
<td>2.84</td>
<td>2.82</td>
<td>Moderate high</td>
</tr>
</tbody>
</table>

Followed by finding in Table III, the information about books on business advancement (mean = 4.17). While there are four elements below the value (mean = 4.17) of them are courses contributing to business success (mean = 3.82). Then allocate money related formal and informal learning to business advancement (mean = 3.56) and followed by seminars contributing to business success (mean = 3.46). Information about magazines is used on business progress of values (mean = 3.32). Then the lowest level of finding information about the internet is used on the business progress of value (mean = 3.23).
Overall mean to score to indicate that the level of personal development of handicraft entrepreneurs is still at a moderately high (mean = 3.82).

Findings from the interviews, the participants of the study is understanding and can define the meaning of the level of competitiveness that they must strive, compete well, try to viable and compete to achieve business goals. While their personal development stage is more about finding information to manage a business, having the experience of doing business and learning gained from courses or training. Most of the study participants define personal development in the form of continuously improving knowledge from time to time and hone the existing skills of business or themselves.

Summarizes the overall score of the level of competitiveness of handicraft entrepreneurs at the moderate level with the value (min = 2.84), while the entrepreneurial development staged is moderately high with a mean value (min = 3.82). The findings show that craft entrepreneurs are less personal motivated to improve their level of competitiveness and personal development. Thus, all survey participant interviews actually understand what is meant by the level of competitiveness and personal development stage. This is because all survey participant interviews show that competitiveness and personal development are very important to achieve a successful business. Knowledge and experience in a field or skill can be obtained from entrepreneurial activities, courses or seminars for continuous learning. The correlation of Pearson analysis has also been adopted in looking at the strength of the relationship between the two factors is the level of competitiveness and the level of personal development of entrepreneurs in the Aceh handicraft business (see Table IV).

Table IV. Mean Score for Personal Development of Aceh Handicraft Entrepreneurs

<table>
<thead>
<tr>
<th>Level</th>
<th>Correlation Status</th>
<th>Level of Competitiveness</th>
<th>Level of Personal Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitiveness</td>
<td>Correlation</td>
<td>Pearson</td>
<td>Sig. (2-Way)</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>1</td>
<td>443**</td>
</tr>
<tr>
<td>Personal Development</td>
<td>Correlation</td>
<td>Pearson</td>
<td>Sig. (2-Way)</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>155</td>
<td>155</td>
</tr>
</tbody>
</table>

*Significant level 0.05

Based on the results of the analysis in Table IV, there was a significant positive relationship between the level of competitiveness and the stage of personal development of entrepreneurs in the Aceh handicraft business (\(r = 0.443, p < 0.05\)) which was analyzed based on strength level of Jackson [30]. It can be concluded that there is a positive relationship between the two variables and the strength of the relationship between the level of competitiveness and the level of personal development of entrepreneurs in the Aceh handicraft business at a moderate strong level.

6. CONCLUSIONS

The findings of this study show that there are some significant findings. This study demonstrates that the factors that most influence the level of competitiveness are the ability to explore market opportunities, the use of technology and innovation activities with overall competitiveness achievements have moderate high. However, entrepreneurs have the motivation and the desire to be competitive with both inside and outside the country. This is not separated by support of the government or the private sector who are trying to help entrepreneurs both in the form of loans and training. Hence, the findings are expected that entrepreneurs opportunities for competitive in the era of globalization in achieving enormous success. This proves that some of the entrepreneurs have successfully marketed handicraft products abroad like in Asia and Europe.

This study not only helps researchers to identify the level of competitiveness of the Aceh handicraft entrepreneurs but also focuses on the strengths and weaknesses for entrepreneurs that are competitive in improving the performance of the company. Hence, the level of personal development of entrepreneurs is also needed to increase the knowledge of how to manage the business effectively. The results of the study for the level of personal development of entrepreneurs found the most influential factor was attending training to contribute to the success of the company, to have social networks to expand the business and to have information from the book for business advancement. This proves that the level of competitiveness alone is not enough if an entrepreneur has no development stage especially in the era of globalization.

Acknowledgments: We would like to thank the Ministry of Trading Republic Indonesia and Department of Trading Aceh province for providing the data.

References


Received: 10 June 2017, Accepted: 16 August 2017