

Conference Paper

Leader-Preneur: A Key to Successful Independent Character Education for Small and Medium Enterprise Practitioners Within a Village-Owned Enterprise Community in the Malang Regency

Agung Winarno and Candany Putri Wardany

Management Department, Faculty of Economic, Universitas Negeri Malang

ORCID:

Agung Winarno: <http://orcid.org/0000-0001-7783-1636>

Abstract

This study aimed to reveal how the village head and the management of the Bumdes Village-Owned Enterprises internalize entrepreneurial values and support Small and Medium Enterprises in the community, and the supporting and inhibiting factors. A descriptive qualitative approach was used to study Bumdes Maju Bersama in Malang Regency, and data were collected through case studies, in-depth interviews, observations and review of supporting documents. The data were analyzed using the 6P simultaneous stages, namely approach, extracting, deepening, matching, interpreting and presentation. The results of the study found that entrepreneurship education became meaningful if it was carried out by instructors who, in addition to having a position as the highest formal leader, were also experienced in the field of business and could provide examples and concrete solutions to participants. To succeed, community businesses needed support and assistance from top leaders. The supporting factors needed were individual motivation, intensity of interaction and communication between business units, as well as good expectations for future business development. The main challenge in managing SMEs in the Bumdes community was the mental attitude of wanting to be successful but being too lazy to learn new things.

Keywords: Leader-preneurship, entrepreneurial values, the success of village-owned enterprises

Corresponding Author:

Agung Winarno

agung.winarno.fe@um.ac.id

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Indonesia is an archipelago country that has quite a lot of human resources (HR) spread across 34 provinces. East Java Province has a large population. This is evidenced by data compiled by the Central Statistics Agency in 2017 which shows that the population of East Java is 39,292,972 people. This number has increased from the previous year of 0.56%. Having sufficiently large numbers of human resources is a problem in itself for the Indonesian government. Especially in the East Java provincial

government, one of the problems that is still an obstacle is unemployment. A great number of human resources does not guarantee the progress of an area because not all human resources have the same level of education. Competition which is getting higher every day, especially in the economic field, makes each individual unable to always depend on the government, especially in terms of job opportunities. The authors recommend that we prepare ourselves to become entrepreneurial pioneers. (Susita, Mardiyati, & Aminah, 2017) in their research states that to become entrepreneurs, we should have an entrepreneurial spirit that is embedded in us and have entrepreneurial motivation so that entrepreneurship education and training are deemed very necessary.

Entrepreneurship education is one of the efforts that are being intensively carried out starting from early childhood education to tertiary institutions on motivating individuals to create jobs and have entrepreneurial spirit and values. The importance of entrepreneurship education in this modern era is in accordance with the results of research (Prastyaningtyas & Arifin, 2019). The development of entrepreneurship has led to the digital era so that it is hoped that each individual will realize the need for a creative economy and the need for entrepreneurship in each of the other fields of education as an effort to build character or entrepreneurial spirit in each individual. Regarding entrepreneurship education in schools, the research by (Tahara & Pujiati, 2019) found that the entrepreneurial attitude of students was actually good, but the constraints in the 2013 curriculum made students unable to grasp the business opportunities that were around students. This research is also supported by research (Winarno, 2009) that entrepreneurial attitudes or values are considered to be less than optimal and have not been well formed due to a lack of entrepreneurial material for students. In addition, entrepreneurship education still experiences difficulties due to different cultures in each individual (Nabi & Linan, 2015). Furthermore (Winarno, 2016) also revealed the mismatch of fields of expertise with entrepreneurship education and training and a lack of facilities, making it difficult to instill entrepreneurial values in Vocational High School students. This is also considered relevant to the training that is usually made in an organization but does not look at the capabilities and interests of human resources in this matter. Therefore entrepreneurship education is important to be carried out at every level of education, both formal and informal education. This opinion is corroborated by the results of research (Wijayanto & Prasetyo, 2018) in their research. It was stated that when entrepreneurship training was provided according to the required abilities, being accompanied by a tutor who was in accordance with the standards would improve community welfare and reduce the unemployment rate significantly.

Entrepreneurship education can not only be carried out in formal classes but can also be carried out in non-formal ways such as participating in organizations, training and seminars that support entrepreneurship education. The results of the research by (Arifin, 2019) state that, the right entrepreneurship training with the right learning model will produce synergies between knowledge and the real world faced by the community.

Village-Owned Enterprises (BUMDesa) is one of the institutions formed by the government to open jobs and improve the welfare of rural communities. With the Village Ministerial Regulation No.4 of 2015 (2015, 2013), this will further strengthen the existence of Village-Owned Enterprises (BUMDesa) in East Java. Village-Owned Enterprises (BUMDesa) is an institution that the government strives for to optimize village assets which in the end is expected to bring benefits to the village community, so that it can increase the standard of living for underdeveloped rural communities. However, in reality it is not that easy to invite villagers to participate in Village-Owned Enterprises (BUMDesa) activities, such as research results from (Nugrahaningsih & Muttaqin, 2018). The participation of community initiatives in thinking and expressing opinions at the Village-Owned Enterprises (BUMDesa) forum is still lacking, so it is necessary to establish community institutions / organizations that support Village-Owned Enterprises (BUMDesa) businesses. Apart from the constraints in the lack of community initiative in expressing their opinions, one of the things that affects Village-Owned Enterprises (BUMDesa) is the cultural values of the local community. The results of the study (Jiwa & Madiarsa, 2019) show that there is a positive and significant influence of cultural values on entrepreneurial orientation and organizational performance. In addition to cultural values that can influence the way people perceive entrepreneurship and the organization they undertake, community cultural values can also differentiate Village-Owned Enterprises (BUMDesa) from other organizations.

This study seeks to focus on revealing how educational processes including mentoring carried out by Village-Owned Enterprises (BUMDesa) managers and village leaders in internalizing entrepreneurial values for the SME community who are members of the Village-Owned Enterprises (BUMDesa) organization, including various effective strategies in this effort to improve performance. business and its organizations.

1. Method

This research used a qualitative descriptive approach with the type of case study, descriptive because the researcher tried to investigate the life activity processes of individuals and groups and asked them to reveal their actions, qualitative because

they try to explore and understand the meaning of a number of thought patterns and actions of individuals and groups that are described as meaningful narratives through the framework and flexible information. The community that was the object of research was *BUMDesa Maju Bersama Tunjungtirto Village*, Malang Regency. Data collection was carried out by in-depth interviews, non-participation observation and review of supporting documents. The key informants were as many as ten people from village officials, Village-Owned Enterprises (BUMDesa) administrators and community members of Small and Medium Enterprises. The dimensions explored to answer the research focus include historical aspects, choices of strategies for achieving goals, implementation in the field, and patterns of interaction between individuals and organizational culture.

The 6P simultaneous stage model as stated by (Winarno & Robfi'ah, 2020) which includes Approach, Excavation, Deepening, Matching, Interpretation and Presentation were used to process data analysis.

2. Results and Discussion

2.1. The Role of Entrepreneurship Leadership and Values Entrepreneurship

The education carried out in the business community is built with a model of active involvement of all elements of village institutions, namely Village-Owned Enterprises (BUMDesa), village officials and business community. The support and motivation from the Village Head who also plays a role as the BUMDes advisor is prominent. This support is in the form of direct involvement in providing training, socialization, exhibitions, competitions and giving the opportunity to take part in the expo both to administrators and members who are then taught to the community. This activity was considered meaningful by many parties involved, because the provision of material and motivation provided by the highest leadership in the village, namely people who had influence in the village and experienced in their fields, would be more felt. The cultivation of entrepreneurial values, according to the results of the deepening, shows that it is an important factor for the success of business and social management in the community. The training provided to administrators is in the form of provisioning training according to the unit being managed. The implementation of entrepreneurship education for the board is mostly done using the peer tutor method which has been successful for the success and performance evaluation of business units.

Cultivating entrepreneurial values is very important, because it will shape the character and understanding of Village-Owned Enterprises (BUMDesa) members so that they can construct an entrepreneurial spirit in the management and village communities. Having an awareness of entrepreneurial values needs to be built and understood from an early age before an individual finally makes a choice of business (Trihatmoko, A., & Harsono, 2017). According to Milton Rockeach (in (Suryana, 2013: 36) there are two concepts of value, namely, value as something that is owned by an individual and value as something related to the object. The first view of the concept of value as something that is owned by an individual is a value or the view that exists within an individual which affects the person's perception of the outside world. The second view of the concept of value is seen as an object that can be owned by each individual. According to (Kuswantoro, 2014) entrepreneurial values are essential to building a soul entrepreneurship as follows, independent, creative, risk-taking, action-oriented, leadership, hard work, honest, disciplined, innovative, responsibility, cooperation, resilient, committed, realistic, curiosity, communicative and strong motivation to succeed. These values are the core of the entrepreneurial spirit embedded in an individual who wants to be an entrepreneur success. The success of an entrepreneur can be seen from how he as an individual runs and instills these values in his daily life. Entrepreneurial values themselves have actually been seen in the community of Tunjungtirto Village. Therefore, to optimize this, entrepreneurial values are carried out for the community, thus these values can be developed and practiced in the daily activities of the people of Tunjungtirto Village. According to (Winarno, 2012) a successful entrepreneur has one of the values, namely maintaining good relationships with everyone. Basically humans are social creatures as well as entrepreneurs. In addition to having good values, it is also necessary to maintain good relationships with clients, colleagues and competitors. By having a good relationship with everyone, we will be younger to reflect on the criticism and suggestions from others regarding the efforts that have been made. According to (Trihatmoko, A., & Harsono, 2017) entrepreneurial values are the role of the person, family, and society. Personal is about how a person recognizes himself before starting a business, usually among them have independent characteristics. Family is a driving factor for individuals to become entrepreneurs apart from the interests and life choices of each individual. The community is one of the means of controlling a business, where if the business does not contradict the norms it will have an economic value that impacts the surrounding community. Therefore, it is important to know the process of cultivating value so that the entrepreneurial spirit emerges in individuals. These good values are taught and applied so that they become habits that will later become the soul of the

individual. Village-Owned Enterprises (BUMDesa) Maju Bersama also implements good entrepreneurial values so that an entrepreneurial spirit emerges in the management and the community around the village. This entrepreneurial spirit is represented by the spirit of the village to be more advanced and develop with its potential.

The results also show that the entrepreneurial values that develop among the Village-Owned Enterprises (BUMDesa) business community include honesty, responsibility, independence, creativity, innovation, tenacity, the ability to read opportunities, take risks, prioritize work quality and cooperation. The existence of these values is the result of the process of instilling values through direct learning with *top leaders*, training, socialization, interaction between residents and Village-Owned Enterprises (BUMDesa) administrators.

2.2. Development Challenges

The findings of the study reveal that there are various factors that support and challenge the process of developing entrepreneurial culture among the business community in Village-Owned Enterprises (BUMDesa). The important support needed is the belief in the leadership and management and the enthusiasm for learning from each individual to be able to build the community to be more confident and motivated to take part in entrepreneurship education conducted by Village-Owned Enterprises (BUMDesa). This condition is relevant to the results of research (Suryana, 2013: 108) which states that there are three main factors driving success, namely, ability and willingness, determination and hard work, opportunities and opportunities. Based on this narrative, then in an individual there must be a strong will and determination to want to become an entrepreneur. In addition, these things also affect how much attention the recipients of entrepreneurship education materials understand internalized entrepreneurial values.

Various internal and external factors become the background of a person's interest in entrepreneurship. Internal factors are indicated by a lack of self-motivation. Individual reluctance in entrepreneurship and avoiding work stress are also closely related to research (Smith & Beasley, 2011). Not only these obstacles, it was also shown by Smith and Beasley that risk or failure is also feared by many individuals starting entrepreneurial activities. External factors as a source of existing constraints appear in the availability of resources. This factor becomes an inhibiting factor for an individual in entrepreneurship (Oliveira & Rua, 2018). These individuals are reluctant to confront the risks are also caused by less skilled in interactions in social networks and the lack of availability of support resources.

The study also found that the human resource factors found in Village-Owned Enterprises (BUMDesa) were deemed unable to keep up with the quality of the managers of business organizations that had grown, the main cause was because the people involved in Village-Owned Enterprises (BUMDesa) management came from village communities who still did not have much experience. The lack of awareness that the community has about the importance of entrepreneurship education makes it difficult to gather residents to be given training or socialization about entrepreneurship. In addition, people's thinking is still simple and considers *social oriented* to be irrelevant to *business oriented*, hampering the implementation of entrepreneurship education and the absence of independent continuation of the training results. This finding also further explains that there are always supporting factors as well as inhibiting factors in any community education effort, such as doubt, and not having a clear orientation to life (Suryana, 2013: 111). These two factors will continue to go hand in hand, this is part of a form of challenge that needs attention in every community that will organize similar activities.

3. Conclusion

The success of the entrepreneurship education process for small and medium enterprise practitioners who are members of Village-Owned Enterprises (BUMDesa) depends on many factors. The most important factor is the character of the leadership of the organization to be directly involved through training and mentoring through intensive interactions. Characteristics in entrepreneurship education can be seen more from the dimensions of exemplary business ownership from the leadership as well as a willingness to be a discussion partner whenever needed. The values instilled in the management and society include getting used to cooperation, being creative, innovative, honesty, the ability to master the field occupied, responsibility, tenacity, the ability to see opportunities and make independent decisions. The cultivation of entrepreneurial values is carried out in various ways, namely, socialization, training, peer tutoring, good role models for business actors.

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