

Building Motivation and Entrepreneurial Spirit for MSMEs in the Tenggilis Mejoyo Village, Surabaya

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ABSTRACT

The purpose of this activity is to increase the motivation and spirit of UMKM Actors of Renggilis Mejoyo Village, Surabaya. Participants in this activity amounted to 30 MSME actors. Analysis of the results of the evaluation of activities is carried out with descriptive statistics. The results of the analysis show that the SMEs are aware of or understand that there must be a very diverse form of motivation, not only in the form of words, but motivation can also be in the form of a strong desire and encouragement from within itself. This motivation is given to SMEs to review motivation and group them into several forms from time to time. Hope in the future food and beverage products from UKM Kelurahan Tenggilis City of Surabaya can reach national markets and cannot reach the international market.

Keywords: Entrepreneurial, Motivation, MSME, Spirit

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1. INTRODUCTION

In Indonesia, MSMEs are one of the business sectors that have an important role for economic growth, besides that MSMEs also have a role in absorbing labor and distributing development results (Muttaqien & Sulistyan, 2022). In the last ten years, the growth in the number of MSME units in 2016-2019 has increased by 4.2 percent annually and the average contribution of MSMEs to Indonesia's Gross Domestic Product (GDP) over the last 3 years is more than 50 percent (Dhiyaulhuda et al., 2022). This proves that MSMEs are able to boost the community's economic sector independently and support the growth rate of economic growth in Indonesia. That's why MSME is one of the business sectors favored by Bank Indonesia to encourage economic growth, in the service sector because it has an increasing contribution to the Indonesian economy and trade.

Apart from that, in economic development in Indonesia, besides MSMEs, there are UKM (Small and Medium Enterprises) which are always described as a sector that has an important role (Sulistyan et al., 2022). This is because most of the population has low education and lives in small business activities in both the traditional and modern sectors. SMEs also have a strategic role in the development of the national economy, therefore, apart from playing a role in economic growth and employment, they also play a role in industrial development results (Yatminiwati et al., 2021).

Micro, Small and Medium Enterprises (MSMEs) are one of the main pillars of the national economy. Based on data from the Ministry of SMEs, in 2021, the number of MSMEs will reach 65.46 million with a contribution to GDP of 61.07 percent or IDR 8,574 trillion. MSMEs also contribute to absorbing 97 percent of Indonesia's total workforce and have an investment portion of 60.4 percent. In fact, based on the ASEAN Investment Report released in September

2022, Indonesia has the largest micro, small and medium enterprises in ASEAN, the largest employment absorption, even the second largest contributor to GDP after Myanmar, but when viewed from its export performance, MSMEs in Indonesia only contributed 14.4 % contribution of national exports is still far behind that of several other ASEAN countries such as: Singapore 38.3%, Thailand 28.7%, Myanmar 23.7% and Vietnam 18.7%. For this reason, the government is improving the performance of national MSMEs through digitization, clustering and center strategies which are expected in 2024 as many as 30 million MSMEs will have entered the digital platform and become export-oriented global players. The following is figure 1 which shows the number of Indonesian MSMEs compared to other ASEAN countries.

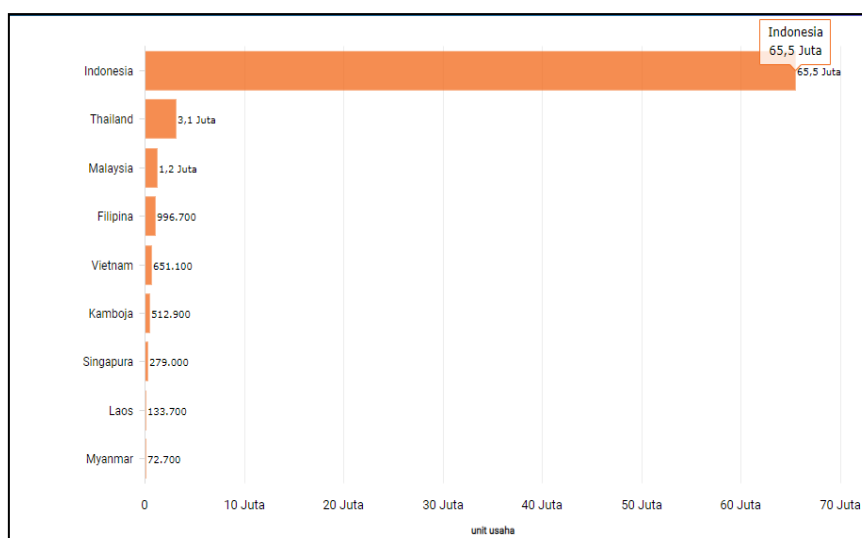


Figure 1. Comparison of Indonesian MSMEs against other ASEAN countries
Source: ASEAN Investment Report (2022)

From the data above, Indonesia has the potential for a strong economic base because the number of MSMEs is very large and the absorption capacity of the workforce is very large. MSMEs have also proven to be strong in dealing with economic crises, have fast transaction turnover, use domestic production and are in touch with the primary needs of society. Therefore, Indonesia must be able to make MSMEs strong and advanced so that they can contribute optimally to the Indonesian economy and increase people's welfare. In addition, MSMEs will also reduce social inequality or the gini ratio.

To create strong and advanced MSMEs, the government and related institutions must be able to resolve the structural problems faced by MSME actors so far (Sulistyan et al., 2023). The problems referred to include adequate quality of Human Resources (HR) (Rizki & Sulistyan, 2022), such as a lack of extensive knowledge about business, lack of utilizing digital marketing to increase sales, not knowing how to develop a business, not doing branding, inadequate business communication effective, manual bookkeeping, no trading business license (SIUP), minimal capital, and product innovation. In order for MSMEs to be sustainable, HR problems must be resolved in a substantive, comprehensive and systemic manner.

HR is one of the most important factors in the business world, including MSMEs. Human resources are not only limited to resources but are the main capital for the development of MSMEs. Therefore, HR is seen as human capital. This is in line with the thoughts of Adam Smith, the main character of Classical Economics, who stated that humans are the main factor of production that determines the prosperity of a nation (Sulistyan et al., 2022). Therefore, MSME actors must increase their capacity in terms of management and mindset. The management referred to is managing human resources, production, finance and marketing (Yatminiwati et al., 2021). Meanwhile, the mindset of MSME actors must be changed to become an entrepreneur/entrepreneurial character. These characters include being innovative/creative, having a strong passion for business and following developments in the business environment (technology and market tastes) (Sulistyan et al., 2022). To increase the capacity of MSME actors, intervention from the government is needed. In developing the capacity of MSME actors, the

government can cooperate with universities or corporations. In addition, the government can provide assistance (Wijiharjono, 2021).

There are many problems. One of the weaknesses of MSME products is the lack of quality, non-standardization or product continuity that is not guaranteed. This weakness will be the main obstacle in increasing product demand and many products will not be absorbed by the market. In the end it will affect the growth of MSMEs. This is in line with the Growth Theory (Harod-Domar) which states that increased production capacity requires greater demand. If the enlarged capacity is not followed by a large demand, a surplus will appear and a decrease in production will follow.

Many MSME products are unknown to the public and are not absorbed by the market (Darnilawati, 2018).. Even for agricultural products, when there is a big harvest, they are not absorbed by the market so that the price of these products drops and even the cost of harvesting is greater than the selling price. Therefore a breakthrough is needed, collaboration between the government and the business world in marketing MSME products. To market MSME products, MSME actors and the government can take advantage of advances in information technology and e-commerce. To absorb MSME products can be done by downstreaming MSME products and looking for MSME product markets. If the structural problems above can be handled properly, then MSMEs will become strong. Strong MSMEs will create Indonesia's economic independence as expected in the Nawacita, namely realizing economic independence by driving strategic sectors of the domestic economy.

One of the problems faced by SMEs including in the field of food and beverages at this time is the problem of human resources which is an important factor in determining the success and achievement of company or business goals. Human resources are a part that is needed, especially to run and operate a company or businesses. The human resources referred to here are employees who work in the company or the businesses themselves. Employees are the main factor and play a very important role in agencies, namely as planners, executors, supervisors and controllers of agency activities. Human resources are one of the obstacles or weaknesses faced by every MSME. In many cases of MSMEs, it must be recognized that most MSME actors are still faced with various obstacles that cannot be handled properly, one of which is the quality of human resources (HR) who do not yet have the necessary hard skills/skills so that product quality is not optimal and what soft skills are. conduct good business communication (Budi, Artiningsih, & Azahraty, 2022).

Based on the understanding of motivation and entrepreneurship, it can be concluded that motivation for entrepreneurship is a driving force/motivation within oneself that creates enthusiasm for the creation of an activity/job by seeing opportunities that exist around, acting boldly in taking risks, carrying out innovative activities, and having an orientation against profit. (Yunal & Indriyani, 2013). Motivation has a very important role in all aspects of life, motivation will encourage someone to be more advanced and have a strong determination to reach their goals. Many factors affect motivation both from within oneself and from outside or the environment (Alfaridzi et al., 2022).

The obstacle for SMEs in Tenggilis Mejoyo Sub-District, Surabaya City is the lack of a competitive spirit for MSMEs to become successful entrepreneurs, which has an impact on the low performance of MSMEs. Even though a business is included in MSMEs, the business competence it has is inseparable from the personal character of MSMEs, their characteristics and motivations.

2. METHODS

The method of implementing community service at this time remains the same as the method of implementing community service, which can be done face-to-face at the Tenggilis Mejoyo Village RW Hall, Surabaya City. The stages of the implementation method are as follows:

1. Confirmation of willingness to conduct training for SMEs in Tenggilis Mejoyo Village, Surabaya City using the Offline method with a target of 30 MSMEs participants.

2. Conduct an analysis of the situation and problems faced by UKM Tenggilis Mejoyo Village, Surabaya City.
3. Evaluate the training provided previously.
4. Follow-up assistance is carried out by providing counseling on entrepreneurial motivation to become successful entrepreneurs to UKM players in Tenggilis Mejoyo Village, with the following materials:
 - a. Definition of Motivation and the Importance of Motivation
 - b. Principles of motivation
 - c. Motivational Driving Factors
 - d. Business Motivation and Business Opportunities

The final stage is to carry out monitoring to get an idea of the effectiveness of the counseling that has been carried out. Monitoring is carried out by giving PKM participants the opportunity to ask questions, and participants are also given a questionnaire. The questionnaire must be filled in by the participants to find out whether after being given counseling, the entrepreneurial motivation of MSME actors participating in PKM activities can increase.

3. RESULTS AND DISCUSSION

Based on the results of training to build motivation and entrepreneurial spirit for MSMEs, MSMEs come to know or understand that there must be very diverse forms of motivation, not only in the form of words, but motivation can also take the form of a strong desire and encouragement from within. Alone. This motivation is given to UKM players to review motivation and group it into several forms from time to time. Motivation itself is a vocabulary or term that is certainly not foreign to Grameds and is often found in everyday life. In general, motivation can be interpreted as a desire, encouragement, interest or desire of someone who is so great that it can come from within oneself or from other external factors. It is hoped that in the future, food and beverage products from UKM Tenggilis Village, Surabaya City, can reach the national market and it is impossible to reach the international market.

Motivation is the spirit of entrepreneurship that can create something that has added value in the economy. Entrepreneurship is the absorption of two phrases, *wira* which means independent and *usaha* which means an activity by exerting energy and thought to achieve a goal. Entrepreneurs are generally seen as innovators. Innovators themselves do not mean have to invent something new. But it can be interpreted as someone who can solve problems, in this case business-related problems.





Figure 2. Motivational Training

Source: Results of Community Service Activities (2022)

The plan for the next stage is to bring in an expert who can provide knowledge in business ethics and labeling. Partners or food and beverage SMEs in Tenggilis Village, Surabaya City, are expected to be able to understand business ethics in doing business and brand labels for better business with the next stage of planning. So it is hoped that the sales of food and beverage SMEs in the Tenggilis Village, Surabaya City, will increase and survive in the modern era.

4. CONCLUSION

At this time MSMEs are required to have building motivation and entrepreneurial spirit of MSMEs to improve quality, satisfaction and consumer confidence in products, so that in entrepreneurship, this needs to be owned and developed within the entrepreneur for the development and success of a business. The two are often seen as nearly identical. Entrepreneurship is cultivated by many small business actors alias MSMEs. Entrepreneurs also help the government reduce the number of unemployed. Even a street vendor can be called an entrepreneur. Referring to the Ministry of Industry, Indonesia needs at least 4 million new entrepreneurs to help strengthen the economic structure. This is because currently the ratio of entrepreneurs in the country is still around 3.1 percent of the total population. Even though the ratio of entrepreneurship in Indonesia has exceeded international standards, which is 2 percent, Indonesia needs to boost again to catch up with the achievements of neighboring countries.

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