

SOCIAL ENTREPRENEURSHIP IN THE IMPLEMENTATION OF SOCIAL DEVELOPMENT

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Abstract

The diversity of social welfare problems has placed social development to be part of the solution. The mismatch of the ability of workforce with employers is a critical issue in increasing the number of unemployed, the continuing increase in the number of unemployed makes the problem of social welfare increasingly complex. The emergence of various kinds of social entrepreneurship with various kinds of focus on social problems being handled makes the term Social Entrepreneurship seem familiar to the public. Combining the types of non-profit and profit activities associated with social mission requires an entrepreneurial spirit in every move. This research seeks to obtain a description and analysis results from the process of developing social entrepreneurship by analysing strategies and activities in social development efforts through increasing human capacity and the impact caused by companies using qualitative methods. Data obtained by purposive sampling through informants consisting of company management teams and training participants through a process of observation and in-depth interviews. The trainees are those who follow the manufacturing industry training program in the fields of welding and machining. The results showed that the company has transformed into social entrepreneurship. Sensitivity to the high unemployment rate of working age in the area of the company is located, encouraging companies to change the profit-oriented paradigm to be goal-oriented. This fundamental value shift becomes an interesting thing from this study, the transformation of a company then finally presents a sustainable positive impact on the surrounding environment.

Keywords: human investment, social development, social entrepreneurship, social welfare.

Introduction

Social entrepreneurship as a sector that lies between the private sector and the public sector, operates in accordance with social mission and requires an entrepreneurial spirit (European Commission, 2010). Social entrepreneurship has been proven as a way to help governments overcome social problems, such as poverty and poor quality of life caused by human inability (Seelos, 2006). Social entrepreneurship is a company learning to devote their energy in solving chronic problems found in the social sector by stimulating the development of their own business (Micheline, 2012). Trends in the previous two decades indicate that social entrepreneurship has moved away from philanthropic and charitable traits through The Minister of Cooperatives and Small and Medium Enterprises said that the data from the Central Bureau of Statistics in 2016 showed that Indonesian entrepreneurs only reached 3.1 percent of the population. This ratio is still lower compared to other countries such as Malaysia 5 percent, China 10 percent, Singapore 7 percent, Japan 11 percent and the United States 12 percent. The Minister also advised young entrepreneurs not only to pursue the profit but also the benefit for surrounding environment (Antara, 2017). According to The World Bank report, every one million poor people in Indonesia have 14 entrepreneurs, while in Thailand every one million of the poor there are 57 entrepreneurs and in Korea have 113 entrepreneurs (Tempo, 2018).

Although the number is still small when compared to other countries, the hope for the growth of the business climate that is driven by entrepreneurs who are not only focused on the profit aspect continues in the good progress. The trend to become entrepreneurs who consider social aspects (social entrepreneurship) has begun to be a great deal of work for young people and even they develop in silence (Kompas 2017). The success of social enterprises has the potential to contribute around 1.91% of Indonesia's GDP 19.4 billion (National Development Planning Agency, 2018).

The process of social development is inseparable from economic development and that harmonization is needed between the two to avoid distortion (Midgley,1999). One of the strategy to ends poverty is trough social development (Midgley 2005). Social Development is a response for social issues that occur with a planned social change process and harmonize the social and economic intervention. In the social development approach, social entrepreneurs place human investment through efforts to develop human capacity to be able to actively participate in the economic arena (Midgley, 2014). The implementation of social development in Indonesia has been done in a variety, one of the initiative is forming of social entrepreneurship. In the book *The Art of Sustainable Giving* (2015), the Boston Consulting Group defines social enterprise as a company that has social impact as its main goal and uses business models to achieve this social goal, balancing profitability and social impact targets, and reinvesting profits in the business model.

Researchers arrive at a company that transformed as a social enterprise, a company that engaged in the manufacturing industry and conducts increasing human skills program as their concern. According to the Tasikmalaya Central Statistics Agency (BPS) there were 21,478 residents of Tasikmalaya is unemployed in 2017. The Head of the Tasikmalaya Manpower and Transmigration Office said “many city workers are not absorbed because of limited ability so they not qualified, unable to meet work targets” (Republika 2018). The company not only seeks to expand operations in the context of profit but also in carrying out social mission related to increasing the ability of the unemployed people in the hope that it can reduce the risk of structural unemployment.

Research Method

This study uses a qualitative approach and descriptive research methods that describe the dynamics of social entrepreneurship based on the field facts to describe social development through the means of social entrepreneurship as an implementation of the social development. The location of the study was conducted at social enterprise named CV. Mulia Abadi, located in Tasikmalaya - Jawa Barat. The research was conducted between December 2018 - July 2019.

Data collection techniques are carried out through primary and secondary data sources that are dependent with each other, primary data obtained through observation and in-depth interviews. Observation conducted by observing activities or meetings with CV. Mulia Abadi managements and trainees. The technique of selecting informants for in-depth interview was carried out by using purposive sampling technique to 10 informants who were divided into management and trainees of CV. Mulia Abadi. Secondary data is collected through literature and documents to support the field of research data. The process of data analysis is done by sorting data, classifying data, axial coding, selective coding and then proceed with interpretation and elaboration. Improving the quality of research carried out using data triangulation techniques.

Result and Discussion

CV. Mulia Abadi was founded on July 2015, in the early of operation the company receiving job order in welding service and fully operated as normal business. The growth of the company is progressive until on 2016 the company leverage the business into machining service as they product offer. Within two years of its development process, then the company realized there were quite apprehensive unemployment conditions around the company's operational area. Time by time through independent assessment the company revealed, there are many unemployed youth which graduated from vocational school near from their workshop. The alumni of vocational school should have been designed to be ready for job placement, but in fact they have difficulty to merit with jobs requirement. These findings, then encourages companies to develop their business not only focusing on the growth of the company's balance sheet, but this also continues to move into developing its social mission, especially participating in overcoming the problem of unemployment. In the early stage after the decision to shift the company vision and mission, the company felt the struggle because working hours of their main employees becoming destructed by their willing to start the “in the job training” for trainees, but by their commitment after while they can adjust their work flow and the scheme / curriculum for their trainees.

The company has carried out program to improve human capacity in the manufacturing industry, the company has not shared widely about this opportunity to the community because the limit of their mentors and machinery. Normally trainees who are interested in this project at the beginning hear from word of mouth then submit and follow interview. Usually no need to wait for long for the candidate, the company will receive the trainee depend on the job order and availability of the mentor. In the period of 3 years, the company has been receiving 13 trainees, meanwhile they are allocating their budget for this program, they also receiving some donations and use that money for expanding the program. Based on the information, so far the additional fund is coming from personal. The trainees are empowered and given the chance to increase their knowledge and competence by means of "one mentor one trainee" in the field of machining and welding which is then followed up through the transfer of knowledge about work attitudes, safety, and occupational health. Not only that, the company also encourages the language class (English) and financial management, the participants directed to get certification in the field of manufacturing both at national and international standard. Its already three persons took certification for machining and welding at the national level and two people are in the process of preparation to have certification at the international level. The other graduates, some are getting a job in another company, opening business by their own or continuing the study.

Looking up the concept that Midgley (2014) has been shared, social entrepreneurs place human investment through efforts to develop human capacity to be able to actively participate in the economic arena as the approach of social development. Those findings from existing condition of CV. Mulia Abadi is matching with the implementation how social development works as Midgley mentioned about. The additional facts that gathered is about how the relationship between CV. Mulia Abadi with customers, communities, and other institutions, such as the Indonesian chamber of commerce, the Ministry of industry, NGOs, local governments, and international networks have broaden the view and continue to encourage the sustainability of this social entrepreneurship activity. Recently, CV. Mulia Abadi agreed on collaboration with big manufacturing company from Japan to form a training center for Indonesian who wants to work in Japan or in Japanese industry in Indonesia as an expert in manufacturing.

Conclusion

The company has begun to manage social development efforts by understanding the current issue around their area. The approach due to unemployment issue has been tackled by CV. Mulia Abadi by providing "in the job training" aiming to lift up the quality of human skills. The company has facilitated the group of people who are not able to and having problems on pursuing their livelihoods. The opportunities which has been delivered by CV. Mulia Abadi solved the effect of unemployment such as poverty and poor quality of life caused by human inability. The ability of the CV. Mulia Abadi analyzes the condition, then formulates the solution through its institution by moving social entrepreneurship activities focuses on human capacity has formed strategies and innovations as a new source of understanding the development of social entrepreneurship as the implementation of social development for bringing the welfare in Indonesia.

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