

Competitiveness Factors of Small and Middle (IKM) Weaving Industry (A Case on IKM Pertenunan in Majalaya District, Bandung Regency)

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Abstract— Simultaneously the sources of competitive advantage in the aspects of human resources, capital resources, technology, and competitive strategies have a significant effect on competitiveness. Competitive advantage in the aspect of human resources has a strategic and most significant effect on competitiveness compared to other variables. The relationship that is owned is directly proportional or positive. This means that the better the utilization and development of human resources owned by the company, the stronger the company's competitive position in the market will be.

Keywords— Competitiveness, Industry, Small & Middle Industry, Weaving Industry.

I. INTRODUCTION

In this era of globalization, economic development and growth are developing very rapidly. That too requires our nation to continue to increase development in all fields. One of them is the development in the industrial sector which has been running so far, and it cannot be denied that industrialization in Indonesia has developed according to what was expected. At least industrialization has resulted in structural transformation in Indonesia. Where there has been a decrease in the contribution of the agricultural sector to GDP.

From the explanation above, it can be seen that the competitiveness of IKM in textile weaving is still not encouraging. Also related to that, the authors on this occasion plan to conduct research on the existence of weaving IKMs in Majalaya District, Bandung Regency. As we know, Majalaya is one of the centers for the national textile weaving industry in West Java. Majalaya textile weaving IKM began to develop since the 1940s and reached its peak in the 1960s. The following is an illustration of the development of textile weaving SMIs in Majalaya from 2000-2004.

THE DEVELOPMENT OF AGRICULTURAL IKM IN MAJALAYA

Year	Total Companies	Sales Turnover (Rp, +000)	Profit (Rp, +000)	Employment
2014	214	97861	7100	32723
2015	183	89559	5780	32723
2016	186	60154	3965	28132
2017	179	38789	1780	22874
2018	174	25005	1450	21643

Source: Monograph Data of Majalaya District The textile industry in Majalaya

District is divided into five sub-sectors, namely: 1. Spinning, weaving, textile finishing industry 2. Textile and rugs finished goods industry 3. Knitting industry 4. Apparel industry 5. Textile apparel industry, except hairy apparel.

Of the five subsectors above, the textile IKM in Majalaya is mostly absorbed in the weaving industry sub-sector, namely around 174 companies. The weaving industry is one of the pillars of the community's economy and also a driving force for the local economy. However, apart from that, from the above description, it can be seen that in the 2010-2014 period there was a tendency to decline in sales turnover and profit. This is an indication that the competitiveness of woven SMIs in Majalaya is still very weak. This is in accordance with the statement of Martin et.al in (Widodo, 1991: 19), which states that "Competitiveness is a sustainable ability to gain profits and maintain market share".

Even in the daily Kompas (June 22, 2013), Satya Natapura said that "As many as 20 textile weaving factories classified as small and medium enterprises in Majalaya, Bandung Regency were forced to go out of business due to not being able to compete with larger similar industries." Satya Natapura (Chairman I API West Java and as a coach of Majalaya Textile Entrepreneurs) also revealed that:

"Textile entrepreneurs who are not used to competing are forced to reduce the operating activities of the machines used or to close their factories entirely. After the closure of the business, many entrepreneurs left their debt and turned into thread brokers".

Although it seems difficult to achieve competitiveness in the global market, at least we have to be competitive in order to survive in the domestic market despite global competition, especially for small and medium scale textile industries. This is important, because we know that competitiveness is the ability to compete in a company, and as has been argued that to be able to develop textile weaving SMIs as a strong and independent industry, it is not enough just to rely on its resilience, but it is needed. also the ability to compete or strong competitiveness so that our woven SMIs are able to compete, both in the domestic market and in the global market. Moreover, with the enactment of the era of textile-weaving trade liberalization, if the textile-weaving IKM only survives on its endurance and does not try to increase its

competitiveness, then the textile-weaving IKM will only become guests in their own country, able to survive but unable to exist. Meanwhile, we hope that the textile-weaving SMIs will be able to exist and survive.

However, the problem is that increasing competitiveness is not only done by entrepreneurs, but also needs support for the creation of a conducive business climate from the government. So that it takes the participation and seriousness of all parties. Another reason that requires efforts to increase the competitiveness of the textile weaving industry must be carried out immediately, is because the textile weaving industry is a labor-intensive industry on which millions of human lives depend and is the second largest foreign exchange contributor to the country. This too, which further strengthens the question in the mind of the author "How to increase the competitiveness of the textile weaving industry, especially in Majalaya District, Bandung Regency?"

Of course, in order to answer this question, we must first know what factors influence the competitiveness of the textile weaving industry. Based on the facts, data, and arguments above, it is estimated that many factors affect the competitiveness of the textile weaving industry both internally, including human resources, capital resources, technology, and competitive and external strategies.

How is the effect of competitive advantage seen from the aspects of human resources, capital resources, technology, and competitive strategies on competitiveness (market share and price) Pertunanan IKM in Majalaya District, Bandung Regency. So that it can be seen the competitive advantage of the aspects of human resources, capital resources, technology, and competitive strategies against competitiveness (market share and price) Pertunanan IKM in Majalaya District, Bandung Regency.

II. FRAMEWORK

According to Porter in (1994: 1) 'Competition is the essence of the success or failure of a company. Therefore, in order to face the competition which is felt from day to day, each company must be able to read the opportunities for its competitive advantage. The competitive advantage reflects the state of economic development (The State of Economic Development).

A similar opinion was expressed by Cravens in (1996: 18) that competitiveness is the ability of a company to be able to compete with its competitors, therefore every company must have a competitive strategy and competitive advantage. However, this competitive advantage must be focused on the process.

As we know, the current thinking is that competitiveness readiness belongs only to very large-scale industrial sectors. It is this sector that has large capital, advanced technology and broad market access. It is different for IKM, this can be found in the small industry and household sectors. Relatively small capital, orientation that still revolves around subsistence, less standardized product quality and low market access are still the most serious obstacles. In fact, if viewed, competitiveness is very important and not only for very large scale industries,

for IKM too. Even though this competitiveness is only about competitiveness in the local market.

To gain a competitive advantage over its competitors, the company must be able to provide more value to buyers by carrying out activities more efficiently (lower cost) or carrying out activities in a more attractive manner that is able to create greater value at the price of the product (differentiation). Competitive advantage can also be created by means of innovation (finding new or better ways to compete). According to Tambunan (2001: 22) "Competitive advantage is an advantage that is created, in contrast to a comparative advantage which is a natural advantage".

In the opinion of Martin et al. in (Widodo, 1991: 19), there are two indicators that can be used as a measure of competitiveness, "competitiveness can be seen from two indicators, namely profit and market share". A large profit rate indicates that the company is able to create efficiency and effectiveness in the production process which can be seen in increasing production capacity. High production capacity can meet the demand for its market share as well as expand market share and increase profits. With conditions of maximum profit and wide market share coverage, it means that the company is able to outperform its competitors and shows a fairly good competitiveness.

In addition, one indicator to see competitiveness is price. The price level will be determined by the amount of costs incurred by the company. If a company has lower costs than competitors, it has a competitive advantage or an advantage in terms of costs. This occurs in sales where a company that has a competitive or cost advantage will sell at a lower price than its competitors. So that it will cause consumers to prefer companies with lower prices than to higher prices, but this applies on condition that the company has a good image / name in the market.

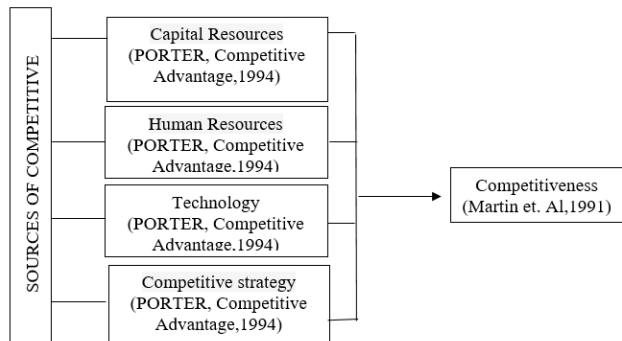
Robert M. Grant (1997:164) "A company will have competitiveness if it is able to sell similar products at a lower price. The price here means lower than its competitors' prices."

A company must have a strategy in creating a sustainable competitive advantage. Competitive advantage is the lifeblood of a company's performance in a competitive market. Basically competitive advantage may take the form of lowering prices than competitors' prices for commensurate benefits or providing unit benefits that more than offset the premium price. A company may have a product that is of the same quality as a competitor's product, but not better. If the company offers its products at a significantly lower price, and if the company can convince customers that the quality of its products is the same as those of competitors.

So the competitive advantage can come from a variety of different activities that companies carry out in designing, producing, marketing, distributing and supporting their products. Each of these activities can support the company's market share position and competitive price creation. Its advantage must be over the relevant competitors, if the company is a local industry, these competitors must also be local. When it comes to the national industry, then its competitors must also be national, and if it is a global industry,

then its competitors must also be global. If it is concluded, when a company has a source of competitive advantage in terms of human resources, capital resources, technology, and competitive strategy, the company can have high competitiveness because it has a large market share and a lower selling price.

From the explanation above, a common thread can be drawn as a frame of mind which can be seen from the following chart:



III. RESEARCH METHODS

The method used in this research is descriptive method with a quantitative approach. The descriptive method according to M. Nazir (2005: 54) is "a method in examining the status of human groups, an object, a set of conditions, a system of thought, or a class of events in the present". In descriptive research, a quantitative approach can be used. This quantitative approach according to Prof. Dr. Nana Syaodih Sukmadinata (2006: 12-13) aims to find relationships and explain the causes of change in measurable social facts. Quantitative research has a series of steps or standard procedures that researchers guide. This qualitative descriptive method is a research method to reveal a clear picture of the efficient use of production factors in production based on the data obtained, by collecting and analyzing the data and turning it into new information. Because the population is not too large, the entire population is taken as a sample. So this research is called census research.

IV. UNITS

By using the SPSS method, the following results were obtained:

RESULTS OF VARIABLES X REGRESSION TO VARIABLES Y

Variabel	Koefisien(B)	Std.Error	t hitung	Signifikansi	Ket
Konstanta	1,284	0,422	3,042	0,005	Signifikan
X1	0,052	0,021	2,428	0,021	Signifikan
X2	1,333	0,264	5,041	0,000	Signifikan
X3	0,187	0,065	2,871	0,007	Signifikan
X4	0,056	0,026	2,083	0,046	Signifikan

From the table, the regression equation model is obtained, namely:

$$Y = 1,284 + 0,052X_1 + 1,333X_2 + 0,187X_3 + 0,056X_4 + \mu$$

(0,422) (0,021) (0,264) (0,065) (0,026)

$$t = (3,042) (2,428) (5,041) (2,871) (2,083)$$

1. Simultaneously the sources of competitive advantage in the aspects of human resources, capital resources, technology, and competitive strategies have a significant effect on competitiveness.
2. Competitive advantage in the aspect of human resources has a significant effect on competitiveness. The relationship that is owned is directly proportional or positive. This means that the better the utilization and development of human resources owned by the company, the stronger the company's competitive position in the market will be.
3. Competitive advantage in the aspect of capital resources has a significant effect on competitiveness. The relationship that is owned is directly proportional or positive. This means that the better the utilization and the greater the capital owned, the company's competitive position in the market will be stronger.
4. Competitive advantage in the technological aspect has a significant effect on competitiveness. The relationship that is owned is directly proportional or positive. This means that the better the utilization of the technology owned, the stronger the company's competitive position in the market will be.
5. Competitive advantage in the aspect of competitive strategy has a significant effect on competitiveness. The relationship that is owned is directly proportional or positive. This means that the better the competitive strategy used, the stronger the company's competitive position in the market will be.

V. CONCLUSION

Based on data analysis and hypothesis testing about various factors that affect the competitiveness of small and medium-sized textile weaving industries in Majalaya district, the following conclusions can be drawn:

Simultaneously the sources of competitive advantage in the aspects of human resources, capital resources, technology, and competitive strategies have a significant effect on competitiveness.

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