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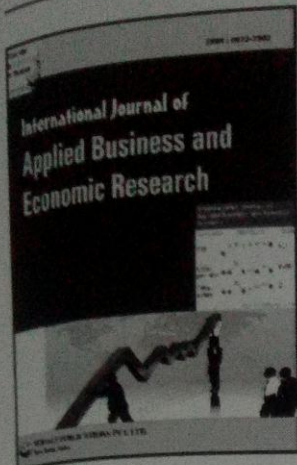
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## Characteristics of Micro Industry of Processed Food in Yogyakarta Special Region

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**Abstract:** The study aims to determine the character of food processed home industry; knowing the level of efficiency in processed food home industries; and knowing the relationship between entrepreneurial character of processed food home industry owner with the efficiency of the business performance. The study was done in the Yogyakarta Special Territory, includes 5 districts. The samples of firm's owner are determined that its the most of business units in each district. To find out the entrepreneurial character with descriptive analysis based on data assessed with Likert's scales and to determine the relationship between entrepreneurial character with efficiency in its business performance is analyzed with path analysis.

*The results of the analysis are that:* The older of bussines are ranged between 3-31years, the age of the youngest entrepreneurs is 29 years old and the oldest is 70 years old. The education level of respondents are the most elementary level, there are more than 75%, The industries location are about 1-15km from the central government of district and about 0,5-50 km from the center of the provincial government. Costs required between Rp. 150000-Rp. 21,7 million/month, with revenue are about Rp. 435000-Rp. 50,4 million/month. Profit that can be obtained are ranging between Rp. 285.000-Rp. 26,7 million. Productivity, income/profit and efficiency level present are on lowest level the mostly, and then low level, high ratherly, and few of them are high and highest level. Achievement motivation and orientation of future character have significant influence to efficiency. Leadership character is influence to productivity. And then networking and perceptive and creatif to face changing character are influece to profit.

**Keywords:** Entrepreneurial Character, efficiency, the micro firm of food made.

### INTRODUCTION

Home industries and small industries position in the economic pyramid is in the lowest position, which have the meaning if this industries most than medium and large industries. Generally, the family's survival of the majority industries owner are depend on its business.

Processing industry is an economic activity that is conducting conversion a raw material mechanically, chemically, or manually to be finished/semi-finished of goods of less value to goods of higher value, and its closer to end consumers (CBS, 2014). One kind of this is food processed home industry. This industries utilizing agricultural products as raw material, mostly utilizing imported raw materials and others take advantage of local agricultural products as the main raw material.

Many household industries, small and medium industries which have very long (decades) operates, but is still also included in the household or small-scale industry. This conditions are very interesting to be studied to find the cause, especially the processed food home industry.

The purpose of this study are:

1. Determine the character of food processed home industry;
2. Knowing the level of efficiency in processed food home industries; and
3. Knowing the relationship between entrepreneurial character of processed food home industry owner with the efficiency of the business performance.

### Entrepreneurship and Entrepreneurial Character

Entrepreneurial character according to Suryana and Bayu (2011) have meaning: it has a certain creativity and goals and try to achieve success in life, and it basically has been embedded in every human being. But in reality we often find that creativity can not be owned or difficult to implement and that can realized, can not sell because they can not take the public interest. Whereas in order to be useful in the realization of economic creativity and the ability to sell is very important.

Entrepreneurship be able have a role in the challenges facing of SMEs, that is through the development of innovative actions, creative thinking and risk-taking (Afiah, 2009).

Entrepreneurship research in order to strengthen SMEs which are facing the financial crisis gives the suggestion that SMEs improved the management that is related to personnel, physical facilities, financial accounting, purchasing, maintenance of merchandise, sale, advertisement, risks and holding daily. There are significant differences in terms of entrepreneurial attitudes among the group of small industrial businessman whose the performance is successful, static and did not succeed, and that distinguishes optimally between a group of small industrial entrepreneurs succeed, static and did not succeed is the selfreins aspect and Achievement. There are significantly differences in terms of entrepreneurial attitudes among small industrial entrepreneurs of men and women; there is a significant relationship between entrepreneurial attitude, age, long sought, education level, gender and family backgrounds together towards the success of entrepreneurs small industry, and the largest contributing is variable of entrepreneurial attitudes and variable of education levels (Anggraini 2008 ).

Research results Wirasasmita (1999) revealed that some of the capabilities that must be owned by the entrepreneur are: has the business knowledge to be practiced, imagination and ideas that do not rely on past successes, have the practical knowledge, able to be creative, have far-sighted visionary, able to predict the circumstances in the future and be able to communicate, socialize and relate to the others.

### **Micro Industry**

In Indonesia the role strategic of micro, small and medium enterprises in the construction outlined in the National Long-Term Development Plan (RPJPN) 2005-2025, which states that in order to strengthen the competitiveness of the nation, one of the long-term development policy is to strengthen the domestic economy based on individual excellence region toward competitive advantage.

### **Business Efficiency**

Study of the efficiency of resource allocation that takes into account the risk of production, as practiced on aquaculture in Surabaya, indicated an association between risk factors with efficiency.

Another study is about the efficiency of the production of farm broiler partnership pattern and independently conducted by Rita Yunus (2009), which give result of analyzes if that are difference in average income, the allocation of the factors that influence to the production at the same level of technical efficiency, the efficiency of the price / allocative and efficiency economical farm.

A theory that connects the company's size and technical efficiency version of Jovanovic (1982), predicts that large enterprises are more efficient than smaller ones. A study by Mats & Anders (2007) give the results that companies that grow and survive is an efficient company, while companies that are not efficient will stagnate or exit the industry. However, the positive correlation between efficiency and size may also arise if a relatively efficient company has very good cost structure, or if a large company has a more competent management, which will enable them to get a good market share.

### **Entrepreneurship Theory and Entrepreneurial Character**

Entrepreneurship can be defined as the ability of a person with dynamic character / that is always looking for opportunities and take advantage of the opportunity to produce something that has added value.

Entrepreneurial must accept the risks of the business failure. The challenge of hard work, emotional stressing, and the risk which the needs to be commitment and sacrifice if you expect to get in return. Character has a sense of a good quality of a person that makes it interesting and attractive, it could be a person's reputation could even be interpreted as an eccentric personality of a person (Suryana and Bayu, 2011).

According to the Coordinator of SBDF (Small Business Development Project), an entrepreneur must have the following characters:

1. have the long-term concept and planning;
2. give priority to the public interest;
3. professional practice isms;
4. fill the appropriate appointment;
5. fill the dose, accuracy, integrity, quality;
6. thrifty, not stingy and not wasteful;
7. discipline;



8. for a personal dynamic, growing or grown to a group or class;
9. glorify achievement or productivity, and
10. tenacious, patient and persevering.

Based on some of the above description, which is seen to unite review on entrepreneurial character by experts (in the description of each expert), five major categories entrepreneurial character that should be possessed of individual businesses, namely:

1. It has a high motivation to fill the living necessity, The characters consist of:

- (a) hard worker,
- (b) unyielding,
- (c) has a high spirit,
- (d) committed.

2. orientation to the future, these characteristics consist of:

- (a) visionary,
- (b) positive thinking,
- (c) have an extensive knowledge.

3. Have leadership excellence, with the following characteristics:

- (a) the courage to act,
- (b) build a good team,
- (c) thinking and high-minded,
- (d) take risks,
- (e) having a mentor,
- (f) an open mind,
- (g) trust.

4. It has a wide business network, with the characteristic consisting of:

- (a) a network of business,
- (b) friends,
- (c) cooperation.

5. Response and creative face of change, its characteristics include:

- (a) critical thinking,
- (b) fun,
- (c) proactive,

- (d) creative,
- (e) the innovative,
- (f) efficient,
- (g) productive,
- (h) original.

### Concept Path Analysis

Here can be done three activities simultaneously, there are the checking of the validity and reliability of the instrument (the equivalent factor confirmatory analysis), testing the model of the relationship between the latent variables (equivalent to the analysis of the path), and get a useful model for prediction (equivalent to the structural model or analysis regression). In this study were conducted only limited testing of a model relationship between variables is equivalent to the analysis path, because all of the variables are observed.

In the Path Analysis, the analysis will involve of exogenous and endogenous variables, each of which consists of the manifest variables (measurable indicators that can be observed directly).

### Production Concept

The production function is fixed proportion input as a production function that is used to measure how actual production function of the frontier position. Because input of the food processed home industries are using fixed proportion, then the value of the factors of production used as a variable here, considering the price of production factors tend to fluctuate depending on the season.

### Cost

In an enterprise, cost is the economic value of all inputs (input) required, which can be estimated and can be measured to produce a product (Prasetya, 1995).

The total costs according to Samuelson and Nordhaus (2003) means the lowest total expenditure required to produce each level of output. Meanwhile, according to Sugiri (1999), the total cost ( $TC = \text{Total Cost}$ ) is the total amount of fixed costs and variable costs.  $TC = TFC + TVC$ .

### Revenue

Revenue is payments which received from the sale of goods or services (Soekartawi, 1995). While the total revenue according to Nicholson (1994) is the multiplication of the number of items sold at the price of goods (whose value depends on the number of goods).

### Profit

Profit is total revenue minus total costs. So the profit is determined by two things: revenue and cost. If the change revenue is greater of the changes in the cost of each output, the profit which received will be increased. If the change revenue is smaller than the changes in costs, the profit earned will decline. Thus, the profit would be maximized if the change in revenue is equal to the change of cost.

### Concept Business Efficiency

Business efficiency can also be calculated from the ratio between the amount of revenue to the costs incurred to produce, using R - C ratio (Revenue Cost Ratio). In the calculation of the analysis, preferably R/C is divided into two, that is R/C which uses the real costs incurred and R/C that calculates all the costs, both real costs and unreal cost (Soekartawi, 1995).

## RESEARCH METHODS

The research was conducted in five counties and city in the scope of Yogyakarta Special Territory, on the basis that each of these areas has a different product of business units. From each district of the most widely prescribed products manufacturer/business units and to obtain the samples was determined by simple random sampling. To determine the number of samples are carried by quotas based on the consideration that processed food business has to follow the business model of a fixed proportion of input / output, means the volume of the same input will generate the same amount of output units for similar business. Thus the nature of the company as the population is homogeneous and the number of samples can be represented without having determined proportionally.

## RESULTS AND DISCUSSION

### Characteristics of Processed Food Home Industry

For the city of Jogjakarta, bakpia industries are chosen as samples. The older of bussines are between 10-25 years, the age of the youngest entrepreneurs is 29 years old and the oldest is 70 years. The education level of respondents evenly start of elementary school to college level. The distance of location of industries approximately 1 km from the center of the city government and is approximately 0.5 km from the center of the provincial government, the number of product from 1000 to 3000 boxes per month. Costs required between Rp 5 million-Rp 21.7 million per month, the revenue about of Rp.14 million to Rp. 50.4 million/month. Profit that can be obtained are ranging between Rp. 2,345 million-Rp. 26,7 million.

For Sleman district, tempe home industries are elected as a sample. The older of bussines are ranged between 14-28 years, the age of the youngest entrepreneurs is 35 years old and the oldest is 56 years old. The education level of respondents are the most elementary level, there are more than 75%, middle and high school at least, does not reach 10%. , The industries location are about 3-8 km from the central government of Sleman district and about 5-10 km from the center of the provincial government, the number of products are ranging from 15,000 to 18,500 packs per month. Costs required between Rp. 998500-Rp 1.4965 million per month, with revenue are about Rp. 2.900.00-Rp. 3,650,000/month. Profit that can be obtained are ranging between Rp. 1.815.000-Rp. 2.296.000.

For Bantul district, the mlinjo chips home industries are elected as the samples. The older of bussines are ranged from 8-29 years, with the age of the youngest entrepreneurs is 40 years old and the oldest is 64 years old. The education level of respondents are the most elementary level, there are more over than 90%, junior and senior high school at least, that is about 10%. Mlinjo chips home industries location distance are about 15 km from the center of the government district of Bantul and are about 10 km from the center of the provincial government. The number of products are ranging from 500 to 900 kg of chips

per month. Costs required are between Rp. 4 million-Rp 8 million per month, with revenue are about Rp 5 million to Rp. 10 million/month. The profit that can be obtained are ranging between Rp 1 million-Rp. 1,8 million.

In Gunung Kidul district, the home industries of processed cassava have elected as a sample. The older of bussines are ranged from 3-23 years, with the age of the youngest entrepreneur is 33 years and the oldest is 68 years old. The education level of respondents, are not complete in primary school (5%), the most elementary level (85%), at least junior high school (10%). The distance of the cassava processed home industries location is about 10-15 km from the center of Gunung Kidul regency government and is approximately 40-50 km from the center of the provincial government, the number of products are ranging from 80 to 320 kg per month. Costs required are between Rp. 80.500-Rp 10.6 million per month, with revenue of about Rp. 400.000-Rp. 17,600,000/month. The profit that can be obtained are ranging between Rp. 168.000-Rp. 10.590.000.

For Kulon Progo district, the brown sugar home industries are elected as sample. The older of bussines are ranged between 14-31 years, with the age of the youngest entrepreneur is 42 years and the oldest is 58 years old. The education level of respondents, are most elementary level, there are more over than 90%, the junior high school were did not reach 10%. The brown sugar home industries location are about 15-20 km from the regency center of Kulon Progo and is approximately 35-40 km from the center of the provincial government, the number of products ranging from 70 to 245 kg of sugar per month. Costs required are between 150,000-Rp 900,000 per month, with revenue of about Rp.435.000- Rp. 1,950,000/month. The profit that can be obtained are ranging between Rp. 285.000-Rp. 1.050.000.

### Entrepreneurial Character

Achievement motivation for entrepreneurial character of the respondents have a total score of 8 in the low enough category. the highest supporting nature, is the extroversion (2.79).

The second character is the character of orientation of the future. This character is still low category, only have the score of 7.9 Scores obtained from the supporting nature is the market orientation score (2.65).

The next entrepreneurial character which researched is leadership of the respondents. This character capacity has reached a of 41%, (lower category) by the sum of average number of points, that is only 10.26 point, which of a maximum of 25 points.

The next entrepreneurial character which researched is the business network ownership. Character entrepreneurial of ownership of business network of respondents is still low category, with the capacity reached only 40%, based on the sum of average number of points collected only 6.01 out of a maximum of 15 points.

The next entrepreneurial character that should be possessed by the entrepreneur is responsive and creative in the face of change. Entrepreneurial character responsive face that change is on the respondent is still low, new mecapai capacity of 40%, based on the average number of points gained respondents mecapai only 8.55 of a maximum of 20 points.

### Performance of Processed Food Home Industry

In this study efficiency is calculated based on the calculation of R/C (the revenue compared with the costs). (Soekartawi, 1995) The calculation of efficiency obtained respondents are ranged between 1.060 (lowest) and the highest 2,480, with an uneven distribution, is mostly at the level of efficiency is very low, the second majority are on the low efficiency levels.

This could be due to inefficiency in every stage of production, for example in the purchase of raw materials and auxiliary materials production, cause they have a little capital, purchase of raw materials and additives as well in small amounts, That is they should buy these materials to each produce, and the price to pay could be expensive, the purchase of a small scale is certainly more expensive than the price per unit when purchasing a large scale. Purchasing multiple times on a small scale will also increase the accumulated cost of transportation, is also related with a business location within the input market.

In the calculation of labor costs to be paid is inefficiency, because in paying the wages are not appropriate to the working hours per day. Workers who stop working before the time is still paid according to wage a day.

- To determine the level of labor productivity is calculated based on the amount of profits compared to the amount of labor used, so we get the amount of profit each use 1 HOK. As for the value of productivity ranging between Rp 15,000 (lowest)-Rp 785,000 (the highest) with an uneven distribution, is mostly used in very low productivity levels.
- The amount of profit per month ranged between Rp 310,000 (lowest)-Rp 25.31 million (the highest) with an uneven distribution, is mostly at the level of profit is very low.

Very large difference between the lowest and highest profits achieved, caused by the selling prices were successfully obtained and output markets were successfully reached by businesses. Entrepreneurs who prefer to selling their products to the middleman traders cause they could not fully determine the selling price of its products, consequently the benefits are not too large.

### Relationship of Character Entrepreneurial and Business Performance

The first results of analysis showed that there is influence of achievement motivation to efficiency. In general, achievement motivation character of the respondents still low enough category, with total sum average points of only 8 out of a maximum of 20 points, or only about 40% capacity character of the respondents, so it should be improved. Regression analysis result that there is the influence of the character of achievement motivation on profits.

The next, entrepreneurial character capacity is the influence of the ability of the future orientation to the efficiency Overall capacity of this entrepreneurial character orientation is still quite low (7,29) only meet 48,6% of its total capacity, so it still should be improved in order to increase efficiency and revenue must also be increased.

Regression analysis gives the results if there is negative effects of the capacity of the leadership character on the efficiency and there is a positive effect on productivity. That is related to his work, the application of his leadership character will be more effective when led the workers in their efforts to increase productivity. Whereas if the worker is instructed to efficiency perform of work, it will decrease profits, because efficiency is understood as the use of lower input.

Other regression analysis result is, there is a negative influence of the business network on the productivity, and a positive influence to profits. The distribution of average points of a business network ownership of is still low, with most of the points of the respondents on the supporting elements of the character just 1 (about 60%) that still need to be improved. Such as business groups that mostly only its name without significant activity. Cooperation with financial institutions that are still not widely used responders and cooperation with higher education institutions are not a lot of reaching out to the business location of respondents.

Regression analysis result that there is a negative influence of ability to face changes character of a businessmen on productivity and positive effect on profits. There is the relate the distribution of average points obtained the respondents of supporting elements of character, the average point of the creativity and the innovative character of the respondents were very low, So far, the respondents producing one kind of product only. Even the simplest variation of the product does not made, that the reason if the market remains unwilling different products. So it needs a stronger effort to keep both elements support these characters can be increased.

### CONCLUSION

Based on the analysis and discussion in this study, it can be concluded:

1. The level of productivity, profit and business efficiency at most exist in a very low position, followed by the quite high, high and very high. Efficiency got a significant influence of the future orientation and achievement motivation character.
2. Effect of entrepreneurial character of processed food home industry businessman to the performance of its business: the entrepreneurial character of achievement motivation and orientation of the future has significant influence on the company's performance through efficiency. The entrepreneurial character of leadership significantly influence the company's performance through productivity. While the entrepreneurial character of company network ownership, achievement motivation and character of responsive and creative face changes significantly influence on the company's performance if through profits.

### SUGGESTIONS

Entrepreneurial character of the businessman of the processed food home industry can be considered as one of the objects in an effort to improve of the business performance. Given the weak of entrepreneurial character of businessman, it is very necessary efforts to increasing of the character. Efforts to increase can be adjusted to the condition of each character by considering the effect of each supporting character.

According of the analysis, that the main entrepreneurial character of businessman which influence on their business is the character of leadership, the supporting character elements are still weakness is the accept responsibility courageous of risk and management capacity, it was suggested things to further enhance the character. for example with the training about to make the company document to be monitored accurately the development of business every time. As about making the flow chart of company input-output, the flow chart of money which in and out of the company, and so on, will strongly support the management of its business.

Triwara Buddhi Satyarini

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