

Strategy Analysis Of Batik Home Industry Development

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Abstract

This study aims to determine the right business development strategy by first identifying and assessing the company's internal and external factors to analyze the application of the SWOT analysis method (Strengths, Weaknesses, Opportunities, Threats) which was coined by Albert Humphrey. This study uses OCAI analysis (Organizational Culture Assessment Instrument) to know the cultural condition of Home Industry Batik Prupuk Kalibeber Wonosobo.

This research is a type of qualitative descriptive research, namely research that explains something that is the target of research in detail or in depth. The object of this research is Home Industry Batik Prupuk Kalibeber Wonosobo. The subjects or samples of this research are the owners and employees of the Home Industry Batik Prupuk Kalibeber Wonosobo, the technique used is non-probability sampling, namely judgment sampling.

The results showed that based on the analysis of IFAS a total score of 2.46 and EFAS a total score of 2.34 which indicates that the company's current position is in quadrant I (aggressive). Based on the results of the OCAI analysis, it shows that the current state of corporate culture is adhocracy culture with the highest value of 25.83.

Keywords: Development Strategy; internal environment analysis; external environment analysis

Introduction

In the current era of the industrial revolution, the business world faces enormous challenges. The competitive advantage of a business entity is determined by efficiency in the allocation of resources or tangible assets (tangible resources/assets) which are easily described in the financial dimension. On the other hand, in the information revolution era, the competitive advantage of a business entity is highly dependent on its ability to mobilize and exploit intangible resources/assets that are not easily described in the financial dimension (Wahjudi Prakarsa, 2002). The existence of this difference in the basis of competition has made the business world experience many changes from various aspects, including managerial aspects.

Business management in the business world is very important to note. All types of businesses, both conventional and modern, can measure their performance if they have managerial capabilities that can be realized. However, in this disruptive era, managers have a tougher challenge where many unpredictable problems arise. So managers need to pay attention to other factors besides product and marketing innovation. With the ability of managers to consider future challenges will help minimize risk and achieve the planned targets.

A manager is a leader in an organization. Integrated leadership will create a good culture for an organization. If leadership and organizational culture can work well together then an organization can be successful (Koplyay, 2013). The employee's work environment has an impact on employee creativity (McClean, 2005). There are 6 factors

driving the creation of a creative work environment, namely good organization, good management, supportive work groups, freedom, sufficient raw materials and challenges (Amabile, Conti, Coon, Lazenby, & Herron, 1996).

If at the end of the 19th century and the beginning of the 20th century with the emergence of the concept of scientific management (scientific management) the company prioritized productivity where what was assessed was the measurement of work and work quality so that employees were placed like machines. Managerial ethics emerged as standards of behavior that guide managers in their work. According to Ricky W. Griffin, the classification of managerial ethics can be seen from the behavior of managers towards employees and organizations or companies. This managerial ethics eventually became a close discussion in human resource management. Human resource management in the company should produce people who not only work but also work.

Organizational culture will shape the values and beliefs about how a business is able to stand and achieve success. With the creation of a strong organizational culture, an organization can be said to be innovative (Barney, 1986). In fact, shaping organizational culture is very important and is the key to the success of an organization in the future (Matinaro & Yang, 2017).

A successful business is not only seen in terms of profit. There are many things that can be used as a measure of the success of a business. One of the benchmarks for business success is to get great trust from the wider community. Gaining the trust of the community means getting the impetus to continue operating. Trust from the community is a very valuable asset for the company. Many big businesses implement a CSR (Corporate Social Responsibility) system as a strategy to develop their business expansion until they are able to achieve the expected goals. CSR is a scientific management movement that not only touts a focus on task efficiency, but also emphasizes on improving working and living conditions.(Owen, 1771-1858).

Batik is one of Indonesia's cultural heritage that has been recognized by the international community. On October 2, 2009, the United Nations Educational, Scientific and Cultural Organization (UNESCO) determined that batik is Indonesia's cultural heritage. Batik is declared eligible to be included in the Representative List of the Intangible Cultural Heritage of Humanity (Kompas, 2020). Opening a batik business is quite an easy business. Batik business does not require many requirements, it is enough with equipment that is not classified as complicated and personnel who have the ability to paint batik motifs. In its development, the batik business only needs to maintain the characteristic motifs that can be taken from local culture or mixed with existing modernization. The convenience and encouragement provided by the government for MSMEs (Micro, Small and Medium Enterprises) also encourages people to set up businesses and strive to achieve prosperity with the progress of their business. Many batik businesses continue to stand from year to year in various regions in Indonesia.

In addition, the progress in marketing has also made the batik business able to penetrate the international market. That way, the batik business will also encourage the national economy with an increasing export market. According to the Central Statistics Agency (BPS), the export value of batik in January-July 2020 reached US\$ 21.54 million, while in January-June 2019 the export value of batik only reached US\$ 17.99 million. This increase in numbers proves the great potential of the batik business for Indonesia's economic progress.

Companies that have strengths that are not easily imitated by competing companies are seen as companies that have distinctive competence. According to Day and Wensley (1998) the identification of distinctive competence in the organization consists of the expertise of the workforce and the ability of resources. The resources owned by the company should be utilized optimally to get the desired results. Strategy is a very important tool to achieve competitive advantage (Porter, 1985). According to Jauch and Glueck (1999), environmental analysis and diagnosis provide opportunities for strategic planners to anticipate opportunities and make plans to make preferred responses to opportunities. This means that the company must identify the internal and external environment to find out the strengths and weaknesses it has.

The prupuk batik home industry in Kalibeber Village, Mojotengah District, Wonosobo Regency is a home-based business managed by individuals. Kalibeber prupuk batik has advantages in the field of production. All production processes are carried out very carefully by considering the raw materials to the maximum while maintaining the traditional process of batik. The colors used are self-processed directly from natural materials such as leaves that are around the production house. Until the packaging of prupuk batik products also uses small bags made of bamboo so that it looks so aesthetic.

The problem that is being faced by batik prupuk calibeber is a managerial problem that is closely related to the company's operational activities. The lack of managerial structure that is carried out makes batik prupuk calibeber unable to develop quickly. This problem also causes the marketing of calibeber prupuk batik to be less effective. According to Gurel (2017) an organization needs strategic planning to help the organization's performance be more productive by using its resources to achieve organizational goals. Therefore, the home industry of calibeber prupuk batik requires the right development strategy in an effort to support the effectiveness of business operations so that the calibeber prupuk batik home industry is able to face challenges in all eras. Therefore,

Formulation of the problem

From the background of this research, the formulation of the problems obtained are the internal and external factors faced by the company, what is the company's position, human resource management that must be applied by the company, and additional strategies that are in accordance with the company's position.

Research purposes

This research has several objectives as follows:

1. To find out the internal factors faced by the home industry of Kalibeber Wonosobo Prupuk batik.
2. To find out the external factors faced by the home industry of Kalibeber Wonosobo Prupuk batik.
3. To find out the position of the home industry of Kalibeber Wonosobo pricot batik industry.
4. To find out the human resource management that must be applied by batik prupuk Kalibeber Wonosobo.
5. To find out additional strategies that are in accordance with the existing conditions in the home industry of Wonosobo prupuk batik.

Literature Review Strategic Management

Strategic management is a series of fundamental decisions and actions made by top management and implemented by all levels of an organization in order to achieve organizational goals (Sondang P. Siagian, 2002). According to John Pearce (2012) strategy is decisions in the future. Meanwhile, according to David (2016) strategy is a way to achieve organizational goals. Therefore, before making strategic decisions, the company must first conduct an analysis to determine the company's strategic position. The strategic position provides precise information on where the company must compete, whether the company uses a stabilizing growth strategy, aggressive growth strategy, diversification strategy or a restructuring strategy (Muhammad, 2013).

In strategic management, an organization or business must be able to formulate and determine organizational strategy so that the organization concerned is not only able to maintain its existence, but is strong in making the necessary adjustments and changes so that the organization will increase its effectiveness and productivity. To realize that situation, top management must master the design techniques or the design of a strategic management system that is appropriate and suitable for the organization it leads. Factors that must be recognized and taken into account include:

1. Organizational type and structure

Every organization has a unique "personality". The type and structure chosen for use must be associated with the "personality" in question. Traditionally, the most widely used types and structures are hierarchical or pyramidal types. This type is suitable for large, complex organizations and the organizational culture justifies the existence of "power distance" and therefore requires multiple "layers" of authority. This type is also suitable if you want to highlight the assignment difference between those who carry out the main tasks and those who carry out various supporting activities. But nowadays the symptoms that seem like the demands for recognition and respect for human dignity, the importance of employee involvement in decision making, employee empowerment, autonomy and so on make the pyramidal type unsuitable and lead to the creation of an increasingly "flat" organization or by using the matrix type. Central management must choose the right type and organizational structure to be used, keeping in mind that the bureaucratic type of organization is increasingly being abandoned and the organic type is increasingly popular. The organizational structure is not just a place where various activities take place, but as an effective vehicle for its members to interact and relate to each other.

2. Managerial style

Theorists and practitioners who study leadership theory and managerial styles in managing large and complex organizations emphasize several things, namely:

- a. Effective leadership is situational leadership
- b. The appropriate managerial style is determined by the level of maturity or maturity of the members of the organization.
- c. What role are managers expected to play in the organization. As a symbol of the existence of the organization, initiating the vision of the organization in the future, decision making, spokesperson, recipient and disseminator of information, determining the allocation of funds, facilities, infrastructure, and manpower, and other roles where the organization will experience various conditions that require certain roles.

3. The complexity of the external environment

The external environment of an organization is always dynamic. This dynamic movement must have an effect on how to manage the organization, including in formulating and setting strategies. Examples of these dynamic conditions can manifest themselves in the fields of politics, economy, security, public order and socio-culture.

4. The complexity of the production process

All types of commercial organizations fall into the category of organizations that produce goods and services. In carrying out the production process, both must meet the requirements of quality, price, benefit, product age, fast and accurate service, continuity of supply and guarantee of after-sales service. The complexity of the production process that also influences strategic management, among others, is whether the organization will produce based on a labor-intensive or capital-intensive approach, whether to use advanced technology or not, whether the people who use goods are ready to use new products or not, whether the organization has a competitive advantage or not. no and so on. All of that must have an impact on the process of determining the strategy and its implementation.

5. The nature of the problems faced

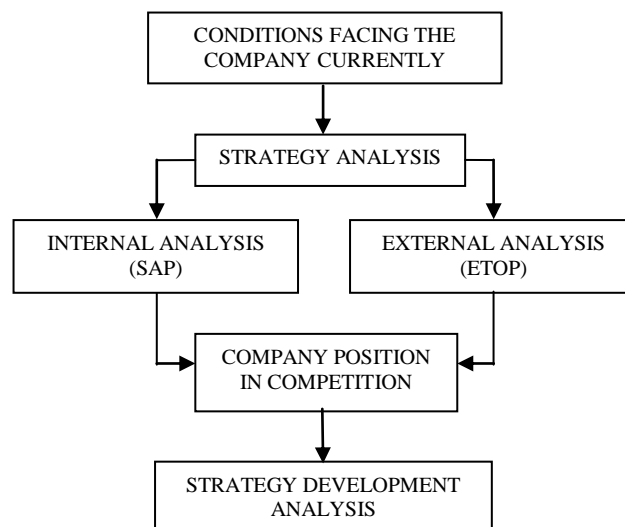
If strategy is a basic decision taken by top management, then top management must be the people who are good at solving problems. Techniques and approaches used to solve problems must be successful in rooting out the problem and not just treating the symptoms. Therefore, it is necessary to have the ability to analyze information in such a way that from the analysis carried out it appears that various alternatives may be taken. If the various alternatives are known to have various weaknesses and strengths, it takes courage to choose one option that is considered the most appropriate.

Strategy determination is related to vision, mission, objectives, internal analysis and external analysis. The next step in determining the strategy is strategy implementation. Determining strategy is useless without implementation. The ultimate goal of this process is to get a strong company position (Emet Gurel, 2017).

Research Method

This study uses a qualitative descriptive method, namely research that explains something that is the target of research in detail or in depth. The population and samples used were taken from the owners and employees of the company. The determination of sample size uses non-probability sampling method, namely judgment sampling technique, which is a sampling technique where the unit or person selected as a sample is determined based on the judgment that the unit or person is in accordance with the purpose of the research. Researchers used independent variables to be analyzed using SWOT analysis. According to Sugiyono (2015) independent variables are independent variables. With a SWOT analysis tool the company's position can be used to determine the right development strategy. The scheme of thinking of this research is:

Figure 1
Theoretical Framework



From Figure 1 it can be seen that the first step of this research is to look at the current condition of the company to determine the right strategy from the results of the analysis of the internal and external environment obtained. In this way, the company's position and development strategy can be realized. This study also uses the OCAI (Organizational Culture Assessment Instrument) analysis tool to determine the current corporate culture and what employees expect in the future.

Result and Discussion

The results of interviews and FGD (Focus Group Discussion) found that there are several variables that can be used as indicators in analyzing the IFAS (Internal Factors Analysis Summary) and EFAS (External Factors Analysis Summary) environment to determine the company's position. The following is an explanation of the two analyzes:

1.1. IFAS Analysis (Internal Factors Analysis Summary)

Internal environmental analysis (IFAS) is used to determine the various possible strengths and weaknesses faced by the company.

Table 1
Internal Strategy Factors (IFAS) for Batik Prupuk Kalibeber Wonosobo Business

Internal Strategy Factors	Weight	Rating	Weight Rating ×
Strength			
Sufficient production facilities	0.15	2	0.30
company location	0.05	3	0.15
Affordable raw material costs	0.03	3	0.09
Guaranteed product quality	0.02	3	0.06
Attractive product quality	0.04	4	0.16
Product diversity	0.10	2	0.20
Ability to attract market segments	0.05	3	0.15
High manager creativity	0.15	4	0.60

Internal Strategy Factors	Weight	Rating	Weight × Rating
Product development concept	0.08	2	0.16
Natural raw materials	0.05	4	0.20
Weakness			
Limited raw materials	0.03	3	0.09
Limited ability of employees	0.05	2	0.10
Unstructured company managerial	0.10	1	0.10
Lack of manager focus	0.10	1	0.10
TOTAL	1.00	37	2.46

Source: Data processed

Table 1 describes the results of the analysis of the internal environment (IFAS) with a value of 2.46 obtained from the sum of the weights of each item indicator of the strength and weakness factors of the research results multiplied by the rating of each indicator of weakness and strength factors. The internal condition of the Batik Prupuk Kalibeber Wonosobo business is declared good because the average value of the company's strength factor is higher than the average value of the company's weakness factor.

3.2. EFAS Analysis (External Factors Analysis Summary)

External environmental analysis (EFAS) is used to find out various possible opportunities and threats faced by the company. The external environment of the company includes markets, competitors, communities, suppliers, governments and certain interest groups.

Table 2
External Strategy Factors (EFAS) for Batik Prupuk Kalibeber Wonosobo Business

External Strategy Factors	Weight	Rating	Weight × Rating
Opportunity			
Potential market for Indonesian traditional batik	0.05	2	0.10
Opportunity to take part in exhibition activities	0.15	3	0.45
Ease of adding capital	0.08	2	0.16
New market wants	0.15	4	0.60
government policy	0.05	1	0.05
Threat			
Reaction from competitors	0.10	3	0.30
Changes in consumer tastes	0.15	1	
Technological development	0.05	4	0.20
Currency exchange rate fluctuations (exchange rates)	0.02	4	0.08
Economic, political and social changes	0.10	2	0.20
The emergence of new	0.10	2	0.20

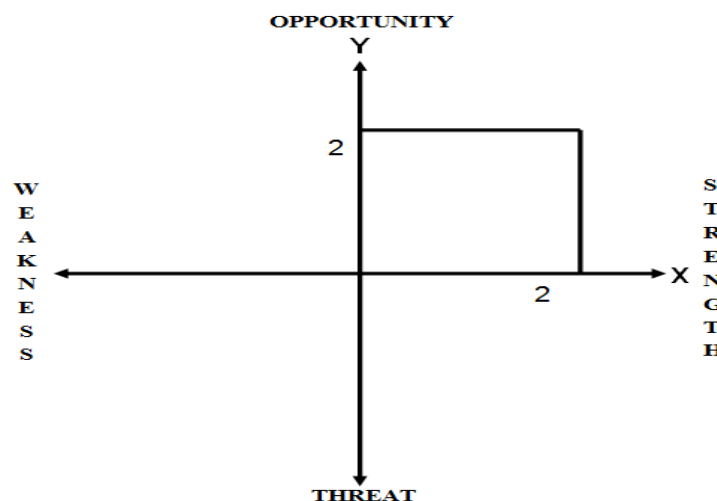
External Strategy Factors	Weight	Rating	Weight × Rating
competitors			
TOTAL	1.00	30	2.34

Source: Data processed

The external condition of the Batik Prupuk Kalibeber Wonosobo business can be seen in table 2 with a value of 2.34 obtained from the sum of the item weights on each opportunity and threat factor indicator from the research results multiplied by the rating of each opportunity and threat factor indicator. . The external condition of the Batik Prupuk Kalibeber Wonosobo business was declared not good because the average value of the company's opportunity factor was lower than the average value of the company's threat factor.

Based on the results of the analysis of the internal environment (IFAS) and the external environment (EFAS), a SWOT diagram can be obtained which describes the quadrant position of the company.

Figure 2 SWOT diagram



Source: Data processed

Based on Figure 2, it can be seen that the Batik Prupuk Kalibeber Wonosobo business is in a position between the opportunity and strength axes, namely quadrant I. This means that the Batik Prupuk Kalibeber Wonosobo business is in a profitable position and it is recommended to carry out a progressive strategy by utilizing the company's internal strengths to get take advantage of external opportunities to achieve maximum business growth.

After knowing the company's position, several business development strategies were found which were obtained from the internal SWOT matrix of strategic factors or external strategic factors which can be described as follows:

1. SO Strategy (Support Aggressive Strategy)

This strategy is formed by utilizing all the strengths of the company to take full advantage of opportunities. The SO strategy that can be applied by the Batik Prupuk Kalibeber Wonosobo business is to maintain a guaranteed and attractive product quality, create a logo or identification mark for product branding and expand marketing reach.

2. ST Strategy (Supporting Diversification Strategy)

This strategy is applied where the strengths of the company are utilized to deal with threats that may occur. The ST strategy that can be applied by the Batik Prupuk Kalibeber Wonosobo business is by developing product diversity and increasing collaboration with other companies or institutions concerned.

3. WO Strategy (Supports Turn-Around Strategy)

The WO strategy is applied when the company has to face weaknesses in order to avoid the threats it has. The Batik Prupuk Kalibeber Wonosobo business must implement a structured managerial system, make the production of raw material reserves and improve employee performance.

4. WT Strategy (Support Defensive Strategy)

The WT strategy is applied when the company has the opportunity to face business threats. For this reason, the effort of Batik Prupuk Kalibeber Wonosobo must be able to make focused work assignments and maintain and develop relationships with the government and social parties.

3.4. OCAI (Organizational Culture Assessment Instrument) Analysis.

OCAI (Organizational Culture Assessment Instrument) analysis is used to determine the current corporate culture and what employees expect in the future.

Table 3
Calculation of Current Value of OCAI Analisis Analysis

CURRENT VALUE			
CLAN	ADHOCRACY	MARKET	HIERARCHY
150	155	145	150
150	155	145	150
150	155	145	150

CALCULATION OF CURRENT VALUE			
CLAN	ADHOCRACY	MARKET	HIERARCHY
25	25,83	24,16	25
25	25,83	24,16	25
25	25,83	24,16	25
MEAN=25	25,83	24,16	25

Source: Data processed

Based on the results of the OCAI analysis in table 3, it can be seen that the current corporate culture perceived by employees or company members is an adhocracy culture. The current average value in adhocracy culture is the highest value, which is 25.83. Today companies are demanding innovation and initiative and create.

Table 4
Calculation of Expected Value OCAI Analisis Analisis

EXPECTED VALUE			
CLAN	ADHOCRACY	MARKET	HIERARCHY
170	160	145	125
170	160	145	125
170	160	145	125

CALCULATION OF EXPECTED VALUE			
CLAN	ADHOCRACY	MARKET	HIERARCHY
28,33	26,66	24,16	20,83
28,33	26,66	24,16	20,83
28,33	26,66	24,16	20,83
MEAN=28,33	26,66	24,16	20,83

Source: Data processed

Based on the results of table 4 reflects the expectation of cultural change to be more clan (28,33). Employees expect the company to have a family character in the future with the type of leadership as a mentor and facilitator. The strategic emphasis on clan culture is more emphasized on human resources, teamwork, member commitment, treating consumers as partners and caring for members. The disadvantages of clan culture are unclear work boundaries and authority because each member has the same role and share in every work project. So that the main task of management in clan culture is to control and nurture employees so that it will be easy for them to participate.

The results of this OCAI analysis can be used as a guide in conducting a SWOT analysis, and can even be used to strengthen statements when a SWOT analysis is carried out (Freddy Rangkuti, 2016).

Conclusions, suggestions and limitations

Conclusion

Based on the results of research and discussion, some conclusions can be drawn as follows:

1. The results of the analysis of the internal value of 2.46 are obtained from the total weight and rating of the internal factors of the company's strengths and weaknesses.
2. The results of the analysis of the external value of 2.34 obtained from the total sum of the weights and ratings of the external factors of the company's opportunities and threats.
3. The results of data analysis using a SWOT matrix regarding the company's position show that the Batik Prupuk Kalibeber Wonosobo business is in quadrant I so that the appropriate strategy to be applied is the SO (Strength Opportunity) strategy which encourages aggressive strategies. SO strategy is to take advantage of the company's strengths to take advantage of opportunities as much as possible.
4. The results of the OCAI analysis illustrate that Batik Prupuk Kalibeber's business has an identical dynamic adhocracy organizational culture. However, employees expect

an organizational culture and clan culture in the future, namely an organizational culture that is familial in nature with a cooperative system.

Suggestion

Based on the results of the research, discussion and conclusions obtained, the suggestions that can be given are:

1. To take advantage of the company's strengths and opportunities, the Batik Prupuk Kalibeber business must maintain a guaranteed and attractive product quality and expand its marketing reach.
2. Unstructured managerial becomes a material that must be resolved by the company so that the weaknesses can be overcome immediately.
3. The Batik Prupuk Kalibeber Wonosobo business party can take advantage of a strategic business location by further optimizing promotions both by structuring business premises and promotions on social media.

Here the sum of three components, namely: conclusions, suggestions and contributions as well as the limitations of the research. Outlines in a concise and clear conclusion the results of the research. The conclusion can be written in narrative form or in the form of dot points.

Limitations

The limitations of the researchers resulted in the results of the study being less than optimal. The data obtained are directly processed by the researcher so that the research results dominate from the researcher's perspective.

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