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The Influence of Entrepreneurial Education and Managerial Skills toward the Productivity of Silk Industry in Wajo Regency

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ABSTRACT

South Sulawesi province constitutes the province in which produces silk and becomes one of the center of Silk industries in Indonesia i.e., Wajo Regency. In addition to make a living from agricultural crops, the people there are as well skillful and competent at weaving the silk fabric in general. Silk weaving activities can be easily seen and found in several districts in Wajo, South Sulawesi, Indonesia. Wajonese people have been long well known with their entrepreneur spirit and skills which are shown and proven by the ability to create the silk fabric from the very manual, traditional and conventional weaving tools and instruments called non machinery weaving instruments. In spite of the rise of tough competition and penetration from other silk producers either of domestic or foreign ones. In domestic area, Sumatera and Aceh offer their traditional fabric i.e., Songket fabric. Meanwhile, India and Thailand are as well taking part in the competition by offering high quality silk and silk fabric as a result of the opening of ASEAN Economic Community begun eelier this year i.e., 2016 which is indicated by 5 things i.e., the free flow of goods, service, investment, educated workforce and capital so as to demand the Indonesian people in general and the business doers or entrepreneur either in small, medium and big scale in particular to master the science and technology which are based on the ability and skills either in production field or in the managerial ones oriented in entrepreneurial culture.

Keywords: Entrepreneurial Education, Managerial Ability, Industrial Performance
JEL Classification: L6

1. INTRODUCTION

Entrepreneurial is aimed at creating and breeding the strong and powerful future entrepreneurs. Thus, the entrepreneurial education needs to refer to human resources development particularly in conjunction with the entrepreneurial character building, most importantly, in relation to the creativity and innovation. By creating and breeding more entrepreneurs as well as future entrepreneur, it is highly expected that this could bring about stimulus to new business from any scale ranging from small to bigger ones which eventually contribute the most to society as well as to the increase in local net worth.

This is in line with the development agenda and policy made and issued by the government of South Sulawesi Province as ruled and regulated in RPJMD year 2008-2013 which is explained in the agenda of development that covers the following things they are: (1) The society' health and educational quality enhancement, (2) local preeminence and predominance implementation to trigger the economic growth, (3) conducive environment creation for innovative environment.

With this government regulation entrepreneurs are expected to build more competitive edge which based not only on the educational aspects but also on the managerial skills in building the entrepreneurial skills which are more industrial productivity or performance enhancement oriented.

Entrepreneur education constitutes one of the major and most important factors in an attempt to enhancing and improving the nation's competitive edge as what happened in the advance countries. Kuratto and Hodgetts (2004) pointed out that one of the reasons why USA and some other advanced countries including Japan become the leading industrial countries in the

world is that entrepreneurs play major roles in the development of the countries.

Shepherd and Douglas (1997) pointed out that entrepreneurship is a reflection of a creativity and innovation implementation from what's strategic yet rather unclear and ambiguous to become a clear, beneficial, and promising new business and opportunities. Meanwhile, Eze et. al. (2012) revealed that the ability and competence in entrepreneurial skills especially in terms of entrepreneurial educational system which is something that is knowledge transferable so as to attain the knowledge for the individuals in conjunction with the ability, creativity, innovation and bravery or courage to take risk.

Other important factors which play major role in terms of creating and cultivating the competitive advantage or preeminence of a region or nation other than entrepreneurship are as follows: Efficiency with high productivity, good quality product, and work force with high level of skills, education, discipline, commitment, creativity and motivation. These important preeminent factors in relation to global era and free trade area are largely determined by the role of government in attempt to enhance the quality of entrepreneurial education from small to medium scale entrepreneurs and business people either in formal way or non-formal way via relevant departments.

The main reason why it is very paramount important to enhance and improve the quality of human resources so as to elevate the productivity and the growth of silk industry in Wajo Regency that would bring about trigger to the improvement and enhancement of silk fabric market in South Sulawesi. Thus, Wajo eventually auld become the centered of the quality commodity either national or international level.

Regarding to this, government plays very vital, crucial ad major role in advancing the silk industry in Wajo by supporting and proving the budget to join wide range of exhibition program either in national or international one, for instance: South Sulawesi silk way in Jakarta and South Sulawesi silk festival in Singapore. These\activities are aimed at improving and enhancing the production of silk product and output as well as to introduce the South Sulawesi culture in national and international level.

The phenomenon shown that in reality not all the people i.e., the business doers or entrepreneurs of silk industry in Wajo could improve their competitive edge with the similar existing products which are available in the national or international marketplace. This is led as a result of inability to compete with other competitors due to low quality and quantity of products produced.

Therefore, they remain unable to meet the demand of the marketplace. This indicates that the knowledge and ability in terms of entrepreneurship have not been able to build entrepreneurial characters and personality which are based on the knowledge and capability as well as creativity, innovation, and risk taking attitude.

Bonitos-Amado et al. (2010) argued that the impact of human resource or man power in entrepreneurial education quality perspective technically and managerially particularly in terms of corporate performance constitutes the result of mediation through entrepreneurial culture capability. The companies or corporate are demanded to really work harder on enhancing the growth of marketplace via the investment off human resource oriented in the development of entrepreneurial characters and managerial skills which are interrelated with entrepreneurial values.

In short, any corporate or company always has the opportunity and possibility to enhance and raise its sales and primary products in the marketplace if its capable of transforming the workplace in the professional community within the company that support the innovation through entrepreneurial education, business application and exploring exploiting the managerial competence or ability in terms of information technology or information system. Now, the research question or issue was to find out the influence of entrepreneurial education and managerial skills on the silk industry productivity and performance in Wajo, South Sulawesi, Indonesia.

2. MATERIALS AND METHODS

This research used survey based method to reveal and study the fact of certain phenomena through questionnaires distribution as the tool o instrument to collect primary data which are then evaluated and drawn the conclusion particularly on the silk industry's productivity and performance in Wajo, South Sulawesi, Indonesia. This research was designed and fallen under category of explanatory research which are aimed at testing and examining the hypothesis son the impact of inter variable studied based on the silk industry business doers or entrepreneurs perception with main focus on several variables such as entrepreneurial education, managerial ability, entrepreneurial culture, and silk industry performance and productivity in Wajo, South Sulawesi, Indonesia.

2.1. Data Collecting Technique and Research Instruments

The data used and collected in this research were taken form primary and secondary data. Primary data is defined as the data directly taken from the respondents of the silk industry in Wajo, South Sulawesi, Indonesia. While secondary data is defined as the data taken indirectly i.e., not directly from the original source but from the reports, documentation study result, previous study and journals with regard to the topics, documents, and other readings or sources related to this research. The data collecting method used were observation, interview, and questionnaires.

2.2. Observation Method

Data colleting method either in direct observations or indirect observations is the data collecting method which based on naked eye or non-assisted instrument for this method. The observation method could be called incorporated as one of the data collecting technique if it incorporates the following criteria, they are;

a. The observation can be used for research and has been planned systematically
b. The observation has to be relevant and interrelated with the research targets planned earlier
c. The observation can be checked and controlled on the validity and reliability

d. The observation would then be recorded systematically and associated with general proportion not explained as a set of interest.

2.3. Interview Method

The interview method carried out in this research was the data collection method using asking answering process, while seeing face to face between the interviewer and the interviewee or respondents using the tools or instruments called interview guide. Interview can be conducted either in face to face meeting or by phone. The goal of using interview method was to complete or to crosscheck questionnaires so that they could be improved or modified or even strengthen or emphasize the unclear statements.

2.4. Questionnaires Method

Questionnaires are a list of the written questions which has been initially set on propose. The questions available in the questionnaires are in depth questions in detail and complete that usually provide some choice of answer already (closed questionnaires) or give chance and opportunity to answer freely (opened questionnaires).

2.5. Data Analysis Technique

The analysis method used in this research was the method called structure equation modeling (SEM) through the program called Lisrel 8.80 and the software called SPSS the last version. According to Ferdinand (2000) called SEM is a group of statistic technique which enables the examination or testing on the series of quite complicated and complex relation and connection simultaneously.

3. RESULTS AND DISCUSSION

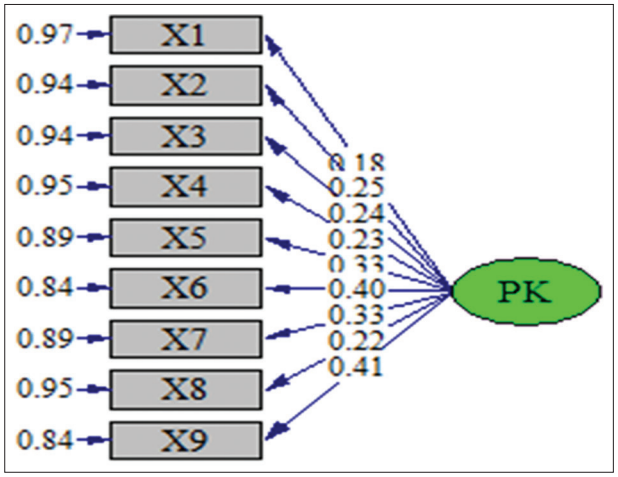
3.1. Entrepreneurial Education Measurement Model

The implication or the entrepreneurial education measurement model can be shown and assessed by the role and indicator in forming the constructive variables possessed. The impact and implication of entrepreneurial education can be shown and revealed by the attitude and behavior formed by a person or individual consciously to change the mindset or paradigm to the better than the initial one. In this study, the aspects which are relevant explaining and punting out the entrepreneurial education to each individual are: Creative knowledge, innovation, insight, and risk taking attitude. The contribution or impact from each aspect or dimension can be shown from the nine indicators as follows in Figure 1:

Based on the Figure 1, it is shown that the most dominant aspect or factors contributing the most is X6 which functions as the innovation insight aspect dimension then followed by X5 and X7. These three indicators put more emphasis on innovative ability which then realized in form of updated goods, service, as well as ideas, notion and courage to take risk.

Construct reliability assessment and variance extract are then conducted and carried out to find out the amount of indicator overall contributing toward the entrepreneurial education variable (X1). The value level of appropriateness degree used

Figure 1: Entrepreneurial education measurement model



in this research is 0.45 with t value bigger than t critical value as much as 1.654 which derived from alpha 0.05 in the free degree (df) as much as 250. Afterwards, it has been said that each of the indicator has representative opportunity and choice to explain certain variable if it has variance extracted value bigger than the recommended value i.e., 0.05.

The Figure 1 described and explained that the nine indicators shown possess contribution in form of entrepreneurial education variable with reliability as much as 45% suitable with what's recommended i.e., 0.45% or 45%. Therefore, all if the indicators or variables have the appropriateness level in terms of developing the entrepreneurial education variable while t value of each indicator shows the value bigger than the recommended value i.e., 0,05 showing that the information contained in each of the nine indicators could be best represented to explain the variable of production ability.

3.2. Management Ability Measurement Model

Management ability in this study covered several aspects including technical skills, social skills and conceptual skills which possess nine indicators contributing to development of construct reliability and variance extracted as shown in the following Figure 2:

The value of construct reliability and variance extracted were acquired through the value of standardized loading® as much as 1.3902 and the error variance valued as much as 1.3902 and the error variance valued as much as 7.6098. The value of construct reality showed that value of contribution in translating the managerial ability variable earned for as much as 0.6168 or 62% which meant and showed the value recommended i.e., higher than 0.45% or 45%. Thus, it can be said that the nine indicators possess the contribution to build construct variable ability.

Meanwhile the value of variance extracted earned or acquired as much as 0.1545 or 15% which showed the recommended value suitable i.e., 0.05 thus, each of the indicator was deemed representative to explain or pointed out the construct variable of managerial ability. The most dominant indicator among the nine indicators was X12 followed by X16 and X13. Three of these indicators were indeed oriented to the goal attainment through

creative capability using ways to coordinate the activities which based on the seriousness on communicating the values and the goals of the effort of business.

3.3. The Measurement Model on Industrial Performance

The industrial productivity or performance in this study was based on three dimension or aspects i.e., efficiency, affectivity, and service quality with the nine indicators as shown in the following Figure 3.

The value of path coefficient on each indicator in the Figure 3 constitutes the value of the contribution explaining the possibility of each indicator in forming construct variable or latent variable. The possibility of contributing for more to each indicator was representative enough informing and pointing out the construct variable of industrial performance and this can be summarized through the value of construct reliability and variance extracted as shown in the attachment 5. Each of the variable has represented opportunity particularly in shaping and forming the construct variable on the value of construct reliability baggier than 0.45 and become variance extract red value was bigger than 0.05.

Based on the result of the analysis, it is found that the value of construct reliability was as much as 0.5418 or 54%. While the value of variance extracted was around 0.1202 or 12%. Therefore, these two values are suitable with the value recommended. Thus, it can be stated that each of the indicator has representative opportunity in forming construct variable and possess the represented opportunity to explain and clarify the construct variable of individual performance and productivity.

Figure 2: Management ability measurement model

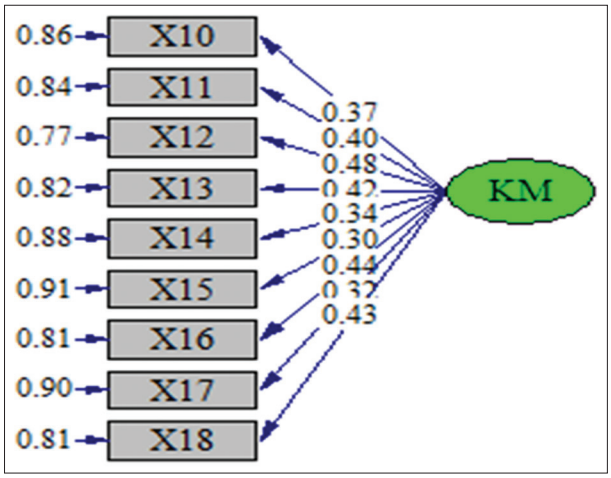
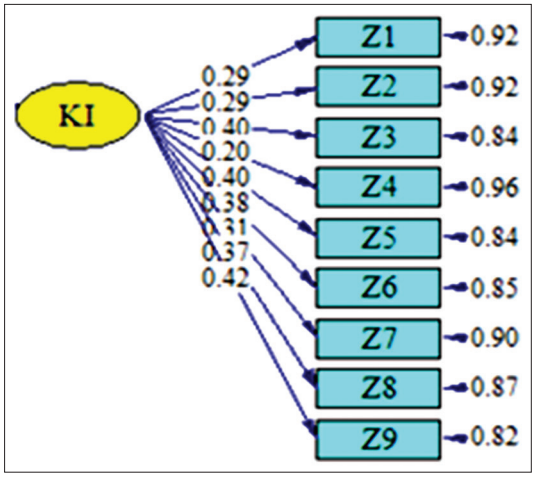


Figure 3: The diagram of industrial performance model path



Based on the Figure 3, it is found that there was the most dominant value of path coefficient i.e., the indicator Z9 which then followed by Z3 and Z5. Thus, it can be said that the industrial performance was dominated by the indicator from service quality which based in the orientation of keeping and improving the quality service through the desire to feel and understand the customers' needs and wishes as well as the effort o optimizing the end result i.e., goal attainment by utilizing and using the cost available as efficient as possible as well as making good use of the resource as effective as possible.

4. DISCUSSION

Based on the response of the respondents, it can be seen that they were willing to give the response on the quality of frequency of answer that related highly to the variable studied in this research. Most of the respondents generally assumed that entrepreneurial education, managerial ability, entrepreneurial culture, and industrial productivity or performance showed were categorized under category "sufficient" this is in line with the reality that most of the respondents still possess the entrepreneurial ability even though remain poor particularly at building the business or enterprise and its culture as well as the ability to meet the needs and pursue of the goals of industry.

The level of ability and understanding the respondents toward the entrepreneurial education, managerial ability, entrepreneurial culture, and industrial performance studied in this research has promising prospects and potentials that can be beneficial to contribute toward the development of the silk industry.

In line with the technology advancement, silk industry faces challenges and competition i.e., facing the foreign competitors' product which possesses competitive motive or pattern, quality and price. Therefore, it's time for the silk industry to get more attention and support from the government and other non-government party.

One of the barriers or obstacles faced by the silk business doers or entrepreneurs is the outlay or capital which is not sufficient. Besides their lack of entrepreneurial knowledge which based on the entrepreneur character development and creativity development as well as innovation. It is expected that working culture is built and could lead to the growth of silk industry in Wajo Regency. The silk industry doesn't only put more emphasis on productivity enhancement but also on the need or competence to compete in this competitive world through the new innovation or updated findings.

Based on the analysis result, it's shown that many of the silk industry i.e., silk business doers or entrepreneurs or people involving in the business still preserve the traditional way of weaving the silk and produce in traditional way as well. This can

be seen from the patterns or motives which remain homogenous. Therefore, it can be stated that the people's creativity an innovative skills still poor and the products were still far away from being market ready and modern especially in terms of quality and quantity of the product which eventually affects the silk industry productivity or performance in Wajo, South Sulawesi, Indonesia.

The research result showed that entrepreneurial education and managerial ability have significant impact on the industry performance for as much as 0.0614 or 61%. On one hand, the management ability partially possess the dominant effect toward the industry productivity and performance. On the other hand, entrepreneurial education doesn't give much of the contribution to the industrial performance. This can be show by the diagram of model full path t-value. Where the entrepreneurial education possess the coefficient value t-count for red color.

The contribution value of managerial ability influence toward the industry performance was 0.0544 or 5%. The contribution or managerial ability influence was supported by several dominant factors i.e., creativity needs (X2.3) the importance of having the ability to coordinate the activities (X2.7) an the significance of improving and enhancing the values and goals through the ability to find the opportunity (X2.9).

However, the indicators on either the managerial ability variable or entrepreneurial education have not been able to give significant influential contribution toward the silk industry. Meanwhile, Fry et al. (2004. p. 162) stated that business performance capability is determined by the action relevant with the creation or innovation to create new product or service, by ability to utilize the existing source available, able to find and seize new opportunity, able to do the transaction, able to take risk on the purpose of creating wealth for individuals or organization and enhance the added value for the people or society. This is in lie with the result found in several silk industries in Wajo Regency where some of the entrepreneurs haven't shown the real entrepreneurial attitude and action which relevant with the contemporary values. In addition, the tools and equipment used are still far from being creative and shifted, meaning that they never change for very long time and remain simple and traditional in terms of creating the more quality and quantity products produced. Besides that, the production scheme still preserve the cultural values which descend from time to time so as to find it difficult for them to adjust with the current values or styles.

The entrepreneurial development in society in general and Wajo in particular hasn't fully applied the entrepreneurial values like courage to take risk regardless what might happened through experimenting new ideas and creative notion to come up with innovative result. Indonesian people generally tend to live in comfort zone and like to stay in the comfort and secured place and job or social status and harmony and these are contrast with the entrepreneurial values that teaches determination, courage, and risk taking, creative and innovative.

As what Lim (1996) stated that there are many things to catch up on particularly in relation to creating self-reliant entrepreneurial development in the society. The development of cultural values and entrepreneurial education improvement are the key to entrepreneurial development.

5. CONCLUSION

Entrepreneurial education and managerial ability possess indirect impact and influence toward the silk industry performance in Wajo, South Sulawesi, Indonesia particularly on managerial ability. Entrepreneurial education can be defined as a conscious effort for the individuals to change the mindset for the better quality life. Regarding to entrepreneurial education, basically it refers to human resource development and individuals' creativity and innovation.

The lack of internalized value in entrepreneurial education constitutes one of the reasons why creativity and innovation are still lacking in the society and people in general who were involved in the training program conducted by either governmental institute or private sectors.

On the contrary, the programs or trainings conducted all these years were just focused on a mere knowledge and materials target achieved. Therefore, these programs were not fully psycho-motorical oriented approach which brought about creativity and innovation. In this study, entrepreneurial education emphasizes more on three aspects, they are: Creativity, innovation and knowledge correlated with cordage to face failure.

Entrepreneurial education which based on creativity, innovation and knowledge and courage to take risk are very vital, crucial an essential and could be a parameter to develop creativity, innovative ability, and the capability to take risk. This is as well applied in the managerial ability where individuals are demanded to be able to run the business in the level where matches and fits their learning process. The weakness and self-power in managerial process constitutes an effort to build career path and its supporting factors such as technical skills, social quotient, and conceptual quotient.

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