The Role of Students as Agent of Change in Empowering Micro Enterprises

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Abstract

Some studies can confirmed that micro, small and medium enterprises (MSMEs) represent themselves as highly significant collective actors of developments in all geographic contexts. Although the studies that see contributions of university in the MSME empowerment is still minimal and less comprehensive. As an intellectual actor, the university has a wide range of areas of expertise that can be exploited more broadly to the community than to the extent of classroom learning. And through an intensive, specific and distinctive assistance model, this study would like to explore what and how the role of students as a representation of the university as well as an agent of change in empowering micro enterprises. The method used in this study is a qualitative by interviewing some informants in the Community Development Program 2017 initiated by the University of Prasetiya Mulya which is directly related to the process of empowering micro enterprises. This study found some of the dominant and specific roles such as educators, researchers and evaluators. Coupled with several empowerment roles such as building relationships and consensus as well as providing technical assistance related to some aspects in business management. As well as other common roles that appear in the assistance process like enablers, motivators, facilitators, initiators, and brokers. With a live-in model in business partners’ house adopted by the Community Development Program, students have many opportunities and roles to explore methods of enhancing the capacity of business partners through intensive assistance and practical learning in developing a business.

Key words: empowerment, student, agent of change, micro enterprises

Introduction

Based on Badan Pusat Statistik, the number of poor Indonesian citizens is at 26.58 million with a gini ratio at 0.391 in September 2017 (BPS, 2018). The number of poor people is reduced by 1.19 million people compared to March 2017. Thus, the percentage of poor people in Indonesia reached 10.12 percent or the lowest since the last 16 years. Some findings appear to be cited as factors contributing to poverty such as lack of education, family dysfunction, neighborhood effects, lack of transportation, poor health, and just plain bad luck (Rycroft, 2018). More specifically, the cause of poverty because the poor themselves, are because they are not so clever, lacking motivation and encouragement, no morals, no precision, or anything reluctant to take risks.

It has been years since Indonesian government has sought to combat poverty. The history of the Indonesian government's social welfare program in reducing poverty, among others through programs such as Inpres Desa Tertinggal (IDT), Social Safety Net (JPS), Beras Miskin (Raskin), Health Insurance for Poor (Askeskin), P2KP and the National Program for Community Empowerment (PNPM) (Alfitri, 2011). The second and sixth point of Nawacita, the Indonesian government undertook
the development of Indonesia from the periphery and villages and increased the productivity of the people. The current efforts intensively undertaken up to the village level to lead the community more productive are agrarian reform and KUR (Kredit Usaha Rakyat) for the development of Micro, Small and Medium Enterprises.

Economic progress is said to depend on sharp, efficient and dynamic small firms providing a constant flow of new ideas and products, thus supplanting older, moribund firms (Gray, 2002). According to Minister of Manpower of the Republic of Indonesia M. Hanif Dhakiri, the ratio number of MSMEs to Indonesia’s total population by 2017 has reached 3.4%, or exceeds international standards, ie 2% (Sanusi, 2017). Small businesses therefore became a focus of interest for policy-makers, and they wanted to know more about them. They were seen as a fundamental component of any effort to increase employment (Bridge, O'Neil, & Cromie, 1998). Citing data from the Ministry of Cooperatives and SMEs, Wednesday, June 7, 2017, other benefits of MSMEs to the national economy is characterized by contributions to the Gross Domestic Product (GDP) which reached 61 percent consisting of micro enterprises 30.3 percent, small businesses 12.8 percent, and medium businesses 14.5 percent (Bratadharma, 2017).

Various efforts have been made to encourage the development of Indonesian SMEs such as Kredit Usaha Rakyat (KUR), Rumah Kreatif BUMN (RKB), Pusat Layanan Usaha Terpadu (PLUT), business cluster and others. One that also became the flagship of President Jokowi's governmen is the ease to access KUR. The growth of KUR is considered quite significant as a whole marked by 31 December 2016 (Sawitri, 2017), realization of KUR distribution reached Rp 94.4 trillion or 94.4% of the targeted distribution of Rp 100 trillion. KUR is channeled to 4,362,599 debtors.

However, in order to develop, MSMEs face several problems such as: (1) real structural obstacles to small business development; (2) management weaknesses that inhibit most small business growth, and (3) the motivational and skills mix that most encourages innovation and proactivity (Gray, 2002). Many micro enterprise development efforts have other obstacle that is no adequate intensive assistance in accordance with their specific needs. Deputy for Restructuring and Business Development, Ministry of Cooperatives dan SMEs said about 70-80 percent of micro and SME business actors fail because of lack of mentoring (Suryowati, 2014). Hogan in Adi (2013) reveals that the process of individual empowerment as a realistic process continues throughout the human life gained from that individual experience rather than a process that stops at a time. The empowerment process will take place as long as the individual still exists and is willing to try to empower themselves. And agent of change’s roles for assistance is needed as part of the empowerment process.

The importance roles of agent of change in empowerment are shown in a study conducted by Luthfianti (2014) on the roles of assistants in the Mandiri Food Village Program in Bantul District. The research shows the strongest role is as motivator (73.81%) and lowest is as innovator (44.88%) and other roles as facilitator and communicator which is useful for sustainability of rural SME business. Another interesting study is how universities as intellectual actors contribute as agents of change. Although from the analysis of Peer and Stoegelechner (2012) it can be concluded that the provision of knowledge is not enough to establish the university as an agent of change. To achieve this effect, "ownership" of knowledge in local and regional communities must be achieved.

This research shows that the students as the representation of university play the agent of change roles in empowering MSMEs by using the assistance model which not found in other educational institution. The findings are able to show more diverse roles than those found by other empowerment agents of change. It was because the group of students has specific expertise in the field of entrepreneurship, as well as because the applied assistance model demands intensive interaction and practical learning between the student groups and business partners. The strength of this research is how the assistance model provides many opportunities for group of students and business partner to explore development practices based on their business contexts.

The empowerment of Indonesian SMEs is a complex effort and requires the collaboration of various parties such as government, private and universities. The purpose of this research is to explore how change agents play roles in empowering rural micro enterprises. This rural micro enterprise assistance
is included in a series of activities in the Community Development Program (Comdev) or it can also be said as practical field lecture or KKN (Kuliah Kerja Nyata) of students conducted by University of Prasetiya Mulya by living with micro enterprise partners for 43 days in the period January - February 2017 in Wanayasa District, Purwakarta District. The focus of this research is on micro level changes done by the group of students called builder where the intervention is more contextual from each business partner especially micro entrepreneur. The Comdev program is presented as an effort by Universitas Prasetiya Mulya to contribute to the development of Indonesian SMEs.

Methodology

This research uses qualitative research approach. According to Creswell (2014), qualitative research is an approach for exploring and understand the meaning individuals or groups ascribe to a social or human problems. Sampling using purposive sampling technique where researchers uses a wide range of methods to locate all possible cases of a highly specific and difficult-to-reach population (Neuman, 2014). The purposive sampling method is very feasible to choose a unique case and specifically informative.

Data collection was conducted by using in-depth interview to seven informants who related to agent of change roles of 2017 Community Development Program in empowering micro enterprise such as agents of change, facilitator teams, Field Assistance Faculties and business partners. While data analysis is done by using method of qualitative data analysis with interactive model consist of four stages that must be done that is data collecting, data reduction, data display and conclusion and/or verification step (Miles and Huberman in Herdiansyah, 2010). The location of the research was conducted in two places, University of Prasetiya Mulya of Tangerang and Wanayasa District of Purwakarta. The research were conducted in February – May 2018.

Findings and Discussion

The theme that always exists in the field of social work is the empowerment which Gutierrez defined as the process of increasing personal, interpersonal, or political power so that individuals can take action to improve their life situations (Zastrow, 2007).

Table 1. Agent of Change’s Roles in Empowerment

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<th>Authors</th>
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| Ife dan Tesoriero (2008) | • Facilitative roles: social animation, mediation and negotiation, support, consensus building, group facilitation, utilization of skills and resources, organizing and personal communication;  
• Educational roles: awareness raising, information sharing, confrontation and training;  
• Representative roles: gain resources, advocacy, use of media, public relations and public presentations, networking and sharing knowledge and experiences;  
• Technical roles: researchers, computer use, verbal and written presentations, management and financial management. |
| Kirst-Ashman dan Hull (2009) | Enabler, mediator, coordinator, manager, educator, analyst/evaluator, broker, facilitator, initiator, negotiator, mobilizer, and advocate |

In working with individuals, groups, families, organizations and communities, agent of change is expected to have the capacity and capability in a variety of roles that are executed in the proper context. Understanding the roles used in practice helps set the stage for skill acquisition. Roles are the expected behaviors and professional functions considered important for social workers. They help tie knowledge to practice (Zastrow & Kirst-Ashman, 2007). Author tries to summarize the various roles put forward by Zastrow (2010), Kirst-Ashman & Hull (2009) and Ife & Tesoriero (2008) assumed to be accomplished by agent of changes in empowerment of micro enterprises (see table 1).

This research findings show some dominant roles that the group of students does in empowering micro-enterprises. The roles themselves, aimed to achieve one of the Comdev Program’s outcomes that increasing family income and competence in managing the business and finances of families of micro and small enterprises. The process of empowerment is shared between the group of students with business partner from engagement, problem identification, needs and potential to planning, then implemented jointly between group of students and business partner. During that process, the group of students and partner are involved in the improvement process on partner motivation as well as in all areas of business management such as production, marketing, human resources and financial management.

The involvement process described in some of the agent of change roles is encouraged so that the group of students is able to bring business partner become more independent in developing new ideas or making their own decisions. It adopts a method that principally consist as social work in empowering individuals. Respect for the client’s decision-making ability is associated with the principle that empowerment is a cooperative endeavor between client and worker (client participation). Social work is done with a client, not to a client. Plans imposed on people without their active involvement have a way of not turning out well (Zastrow, 2010).

Some student groups are able to improve the business performance of partners and produce impact on the expansion of community involvement to participate in business processes either as a partner of production or marketing. Research conducted by Kerti Yasa, Sukaatmadja, Jawas, Sri Budhi, and Marhaeni (2013) shows that the higher performance of SMEs, the increase in employee income and increase the number of employees employed (reduce unemployment).

**Facilitative Roles**

Facilitative roles are emerge as the involvement of change agents in stimulating and supporting the change process. The facilitative roles as Ife and Tesoriero said, in context of the Comdev Program, can be classified as technical assistance post-assessment phase. In carrying out assistance tasks, group of students plays a role in building consensus, motivators, facilitators, and initiators. There is one role in addition, according to Zastrow, Kirst-Ashman and Hull is important in the aspect of empowerment that is enabler which author classified into facilitative roles category.

The enabler role is more accurately said as a form of encouragement to business partner to be more involved in understanding the problems, needs, ideas or alternative solutions and their potential to solve the problems. In Zastrow's view (2010), the role of enablers is to help individuals or groups articulate problems and needs, explore, choose and apply resolution strategies, and also develop their capacity to handle their own problems more effectively. Although in practice, the engagement process may use some time consuming and facilitative skills. In empowerment process, the intervention must be based on client’s condition in order to obtain optimal results (Adi, 2005). Therefore, an engagement and assessment mechanism is needed for better understanding to the condition of each business partner.

The identification process that carried out by the group of students basically started at survey phase by conducting a brief assessment along with effort to build relationships between students and business partner to make the process of empowerment more effective. The process of assessing business conditions and business partners capacity is done in more detail when group of students begins to enter the live-in phase. In that phase, the group of students are more flexible to encourage business partner to discuss and encourage them understand their own problems, needs and potentials.
The results of identification are used by the group of students in preparing the business development plan by trying to balance between partner capacity, business conditions and market opportunities. The goals are to increase business partner’s independence and sustainability in developing business. Planning is made in condition with the context of problems, needs and potentials of each business partner. The assumption is that, although each situation may possess some degree of uniqueness (Sheppard, 2006). Some business partner do have obstacles related to low motivation and business management capacity that tend to be still traditional. Some students also have problems because of the gap in their relationships and interactions. The consequence is that some work programs do not really touch the problem or capability of business partners to be involved in that process.

Through partnership models and foster parents, group of students are required to stay with business partner during live-in in high intensity of interaction. Students are freely to build good relationships with partners and further exploration of the partner’s business development context. So that during the assistance process, many student groups provide much information related the support needed in developing business including in providing business capital assistance. The Comdev Program provides capital assistance that can be used by group of students and business partner as a supporting resource in developing the business. Using these funds, they are entitled to determine the priority needs that can be provided.

The survey conducted by the group of students in the initial phase also aims to know about the profile of business partner and encourage business partner’s motivation to move and understand the business development situation that will be done together. Ife and Tesoriero (2008) explain about the role as a social animation to inspire, gives enthusiasm, activate, stimulate, move and motivate others to take action. Some strategies used by group of students to encourage business partner motivation such as making a profit projection or creating an ideational picture as a target of business development. One that underlined by Ife and Tesoriero related to the role of this social animation is commitment and integrity. The results of the interviews conducted with the informants of the business partner indicate that they are greatly assisted by the presence of a group of students in developing their business. The group of students together with the business partner have determined each other the goals and set time to achieve that goals. Some student groups who have good relationship with business partners will be much easier to motivate them. This is shows through the consistency, seriousness and hard work of the student groups in facilitating the development of partner’s business.

The presence of student groups who live together to empower business partner requires mutual commitment in achieving common goals. The role that needs to be built between the business partner and the group of students in this phase is to build consensus. According to Ife and Tesoriero (2008) building consensus includes attention to common goals. The description of partner’s ideals that the group of students gained through a process of discussion with business partner made one commitment or consensus together to collaborate and to achieve these ideals. There are several business partners who aspire to make home renovations, go hajj or purposed for children’s education fees. The existence of a common goals agreed in mutual, will facilitate the students be able to invite business partner actively involved in the empowerment process. Some of student groups are difficult to engage and build a concencus with their partners because there are gaps between them such as social status, quality of informations, motivations and more.

During the planning process with business partner, group of students also invites partner to participate in developing the capacity of partners it self to understand their environment, make choices, take responsibility for their choices (Zastrow, 2010). This process is involving the role of the initiator in which the agents of change is also in developing the decision-making capacity of the partner, taking the initiative to also help analyze a potential problem’s risks and assist the partners to develop alternative scenarios to overcome them. It is important to realize that some problems can be recognized in advance (Zastrow, 2010).

Based on the risks that have been found, the group of students can invite business partners to take the risk directly or to experiment first and then submitted to partners business process with the risk that has
been minimized. For example, group of students try to expanding channel distribution independently by them self in advance and then if it already have a positive response, they can invite partner to follow the next process. It aims to prevent business partners from the problem of confidence due to rejection.

The role that also important for the group of students is to optimization the resources that the business partner has or the external resources that can support the development of the partner's business. This is related activities to find other alternative uses of resources or facilities. The role of group of students is be able to find these resources and provide creative ideas to find effective ways to use them. In the process of identifying the conditions of business partners, there is an exploration process for information about what capabilities and equipment that partners already exists and can used. Many student groups place more emphasis on products innovation that are already run by business partners rather than creating new one. It is needed to improve the sustainability and competitiveness of the business partner's products.

**Educational Roles**

Educational roles not only help in long term process but also provide a positive and focused input, as a result of their knowledge, skills and experience (Ife & Tesoriero, 2008). Classroom learning experiences that group of students have already possesses is sufficient enough to share their knowledge, skills and experience to business partners. The members of the group of students consist a representation of each expertise area such as business management, marketing, finance, accounting and finance that are merged into one group. To be an effective educator, the worker must first be knowledgeable (Zastrow, 2010).

The primary task of the group of students in the Comdev Program is transfer knowledge to business partners on basic business management and some entrepreneurial related techniques. That process also involves optimization of utilizing all resources that owned partners and surrounding communities up to existing natural resources. At the end of empowerment, the group of students responsible to ensure that partners have new knowledges and skills that can be practiced independently by utilizing all available resources.

The agent of changes is also obliged to support business partners with important information related to business development or training partners (Ife & Tesoriero, 2008) business with new skills for partners such as quality control, efficiency, negotiation, financial management, to manage communication through information technology and others. This process is assisted by a group of students together with collaborative learning practices with business partner. Although this process can be more effective if there is awareness from the student groups to provide assistance to increase knowledges and skills based on the characteristics and capacity of business partners.

Individual empowerment shows that powerful agent of changes can share or transfer power to service users (business partners). Some of the skills needed in an empowerment are like confidence, competence in social situations and interpersonal skills (Parrott, 2001). Student groups have a target to increase the capacity of business partners in networking with external parties for business development such as following the product expo held by the Government of Purwakarta Regency or do consignment products selling to marketing channels. Student groups are also encouraged to make partners able to identify environmental conditions and to anticipate problems that may arise such as efficiency due to rising raw material prices. One of the educator’s role is that it should be intended to give awareness to various structures and strategies of social change so that business partners can participate and take effective action. This process included by group of students as a learning process in developing development plans. So in anticipating problems that may arise, business partner have able to find the best alternative solutions for the business.

The research conducted by Ikupolati, Medubi, Obafunmi, and Onil (2017), shows that majority of respondents believe that SMEs can be used as media for capacity building for business actors. During the assistance process, student groups are involved in every aspect of the business such as operations (helping production processes and developing production management), marketing (helps designing
creative product packaging, selling, negotiating and developing effective marketing strategies), human resources (capacity building and rich partners and managerial skills partners in managing human resources) and finance (business and household financial management).

**Representative Roles**

The terms representative roles are used to indicate the various roles of a community worker in interacting with an outsider for the benefit, or for the benefit of society (Ife & Tesoriero, 2008). Many of the group of students roles related to the representative roles are conducted through prior experiments. For example the role of brokers that connect individuals and groups who need help (and do not know where it is available) with community services or institutions that share common interests.

In the context of business assistance in Comdev Program, student groups represent business partners in open new marketing channels, create marketing strategies through promotional media, negotiate with products store owners to sell or connect partners’ business with raw material suppliers or local government programs to develop networks. A change agent can not be expected to provide everything alone so that the group of students needs to know what is available from a variety of different resources, and how to help business partner to obtain what is needed (Ife & Tesoriero, 2008).

Expanding network process to local government is done by student groups to provide opportunities for business partners to obtain future business development services after the task of the group of students has been completed. Networking means establishing relationships with diverse people and being able to utilize them for contributing in changes. Other networks that are traced by the group of students are with fellow entrepreneurs either as resellers, raw material suppliers, and others.

Broker roles that done by the group of students is aims to connect clients (individuals, groups, organizations, or communities) with resources or services within the community (Zastrow & Kirst-Ashman, 2007). Such resources might be financial, legal, educational, psychological, recreational or health-oriented. For example, there is group of students that helps business partners to obtain PIRT (Pangan Industri Rumah Tangga) as product distribution license of household food production in accordance with the standard of health issued by Health Department of Purwakarta Regency.

Some of these representative roles experiencing problems due to a gap in students understanding about the development of rural businesses who generally have more experience in developing business in urban areas. And some roles in marketing is done by manipulating purchases by the fellow of students themselves to increasing business sales.

**Technical Roles**

Related to the limited capacity and resources of business partners, there are several roles performed by the student groups to help business partners start first together with the learning process. Some aspects of empowerment involve the application of various technical skills to assist the development process (Ife & Tesoriero, 2008). Some business partners are already at well established sales level or scale so that the group of students starts to introducing information technology such as internet via smartphone. Although not all business partners who are already at that level really understand the effective use of the smartphone as media for business development. Related to this process, the student groups also built a system that supports first for the application of the media to then slowly invited partners involved using the media. This process reflects a semi-directive empowerment model to business partners with limited knowledge and skills capacity. The need for education of small businesses is by expanding awareness of opportunities in the external environment, including new technology applications, new markets, and new methods to reaching markets and new ways of working with other firms, the better to overcome commercial challenges (Gray, 2002).

Student groups also provide technical assistance such as designing product logos and labels or marketing media, making SOPs (standard operational procedures) of production to standardize the quality of the products, and making simple financial journal so business partners able to see profits and
creating financial plan to achieve goals. This technical assistance is provided not only for temporary purposes while the empowerment process is still ongoing, but also by building systems that support the sustainable use of these skills.

Student groups also play a role as researchers in understanding the needs of society (Zastrow, 2010). As practitioners and academics as well, group of students are required to identify the market potential in relation to partner’s business development. The group of students is required to work on performance reports that have been formatted. In that format, group of students is encouraged to conduct prior research on the development potentials in the local area and more broadly by using scientific research methods such as consumer behavior research on products, researching the market potential by studying demographic data etc. In the practical, the findings of existing research used by group of students as educator roles to increase awareness of business partners about the external environment (especially entrepreneurial environment).

Some student groups assist business partners in coordinating the development plans that have been made into the action plan consist of specific targets, tasks and assistance scheduling that should be undertaken together with business partners in several development areas such as production, marketing, human resources and financial management. The role of change agents as coordinators and managers according to Kirst-Ashman & Hull (2009) is to assemble different elements in the form of unity derived in an administrative management of the organizational system. Not in complex organizational systems, group of students makes up the division of tasks with the respective responsibilities that have been determined but if necessary can be involved in other work. The diversity of expertise possessed by groups of students and business partners is managed in such a way to establish an effective business development system and the role of coordinator and manager becomes fundamental. Usually group leaders also remain engaged in technical work that requires tactical decision making and soon help a new development problem or idea finding process. Agent of changes who are also managers cannot abrogate their practice and educational leadership roles by restricting or curbing their activities to administrative management (McKitterick, 2015). This includes organizing and measuring how business systems developed by business partners to facilitate them in understanding, managing and evaluating.

Student groups have been equipped with various report formats and tools to support the monitoring and evaluation mechanism so that during the mentoring process is able to measure the performance of assistance that has been done. The goal is determines whether a program or agency is effective (Kirst-Ashman & Hull, 2009). They can also evaluate the effectiveness of their own interventions. The format can also viewed as a simple guide for the student groups to constantly carry out monitoring and evaluation functions together with business partners and then reported to the Comdev Program Coordinator.

Therefore, through monitoring and evaluation mechanism, student groups can also monitor how far the partner’s independence. The student groups are assigned in doing assistance for 4 months later after live-in phase with the reduced assistance intensity. The final target to the student groups is the partner’s independence and the sustainability of the partner’s business in line with increasing partner’s capacity and quality in managing their business.

Conclusion

This study shows several important roles of students as agent of changes in empowering micro enterprise such as: Facilitative roles such as enablers that try to identify problems, needs and alternative solutions that can be used and the potential of business partners, provide support, drive change or encourage, build consensus, and become facilitators by encouraging partners to better understand their business environment; the role of educators as actors in raising awareness and capacity building of business partners through the distribution of new knowledge to develop the business; the representative roles of student groups are seen through assistance to open marketing access and new networks for partner businesses; the technical role of student groups through assistance related to constraints of limited capacity of partners in certain aspects. Technical roles include designing logos and product
labels or marketing media, producing SOPs of production to standardize the quality of the products, as well as making simple financial journal; the role of coordinator and managers is run by a student groups to further streamline the division of tasks in an effort to achieve the target mentoring and assist business partners in understanding the business management developed; the role in monitoring and evaluation is done as the assistance tasks is a working program so that the student groups needs to analyze the process and the performance of the assistance.

**Recommendations**

Based on findings and analysis, the authors offer several recommendations that can be used by stakeholders related to the development of the Comdev Program: debriefing related to effective empowerment techniques for students as the agent of change based on the business context or the profile of the business partners themselves; it is necessary to develop a comprehensive understanding of business partners or students regarding the program profile and various empowerment mechanisms that are carried out to reduce the information gap or awkwardness among them; adjustment in assessment of courses aspects with more emphasis on the independence indicators of business partners in continuing the business development ideas that have been practiced.

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