

## HOW TO EXPLAIN WOMEN ENTREPRENEURS DEVELOP AND SUSTAIN THEIR BUSINESS (ETHNOMETHODOLOGY IN BATIK SME)

Sony Heru Priyanto<sup>1</sup>, Theresia Woro Damayanti<sup>2</sup>, Rosaly Franksiska<sup>3</sup>

<sup>1</sup>President University; <sup>2</sup>Satya Wacana Christian University; <sup>3</sup>Satya Wacana Christian University  
sony.priyanto@president.ac.id

### ABSTRACT

*Many researches have been addressing about how women entrepreneurs started their business, but those researches didn't discuss and deepen how the women entrepreneurs develop and maintain their business to keep exist yet. This research tries to explain about those things. Using a qualitative ethnomethodology approach, this paper involves six batik women entrepreneurs as participants with different backgrounds and environments. The data validity was tested by triangulation methods and then analyzed using union techniques. The findings show that women entrepreneurs can survive within some ways: first is by letting it flow, learning by doing; trial and error; and entrepreneurial spirit. In terms of financial capital, they are using bank and family funds. While to increase selling, exhibitions and channeling systems are the things used by them. The labors are there with the semi-labor system, where they are given money to work on their own house with the materials provided. In other words, the women entrepreneurs have labors but they are not working on the factory that owned by the entrepreneur. The future research needs to deepen the link between business fields and gender entrepreneurship and needs to correct the understanding that entrepreneurship is masculine. In addition, this research produces a proposition in the form of a performance model for female entrepreneurs.*

**Keywords:** Women Entrepreneur, Ethnomethodology, Develop and Sustain Business

### INTRODUCTION

Many previous research shows that women entrepreneurs have more weaknesses than male entrepreneurs. Some authors point out that weakness is like having a psychological makeup that is less entrepreneurial or at least different from that of a man's [1-4]; having less motivation for entrepreneurship or for growth of their businesses [5, 6]); having less desire to start a business [7, 8]; being risk averse ([9]) and so on.

Previous research has focused on contrasting between female and male entrepreneurs. Not much emphasis has been given to the role of women entrepreneurs as financial supporters of their husbands and families on their social context. It is no wonder that in many sides, women entrepreneurs are still fewer than men entrepreneurs. Bakan [10] revealed that there are personality differences in males and females in their orientation towards achieving results (agentic) as well as differences in characteristics that are oriented towards service and social activities (communal). Males are characterized as being aggressive, like challenges, as well as firm and independent. Meanwhile, females have a nurturing trait, like to help others, and have a higher level of empathy. Likewise, when female entrepreneurs manage their businesses, they will put more of their souls into the enterprises. Gender stereotype can influence the cognitive aspect and behavior of an individual [11]. There is a gender stereotype in the entrepreneurship intensity that tends to be more authoritative in males. Jobs that are labeled as being more appropriate to be done by men (masculine stereotypes) like becoming entrepreneurs can weaken women's roles in the business world [12]. Previous

findings found that good organizational management is that which applies a management type that is dominated by masculine traits [13-16].

Is it true that women tend to be empathic, feeling, less aggressive, less assertive in running their business? In situations where women have husbands and are poorly supported, this condition may occur. But when they have the opportunity and social freedom or have independence in action, it is not impossible, that condition turns around. This research tries to explain how women entrepreneurs who have independence or do not experience psychological makeup in running their business, where not many researchers have explained. As Ahl and Nelson [17] noted, the study of the intersection of institutions and entrepreneurship for male and female entrepreneurs are rich and important work, and that it should be extended.

The purpose of this research is to describe how female entrepreneurs can assemble resources including financial capital, as well as construct financial power to develop a batik business through identifying the business environment, alternative funding, how to take advantage of the funds, as well as the effects for developing an enterprise in the context of their entrepreneurial independence in the social frame.

## METHODS

In order to respond to the research problem, this research uses an ethnomethodology method. It is the study of how people make sense of their experiences [18]. In this case, this method discusses how researchers understand women entrepreneurs in batik businesses develop and sustain their businesses in a social frame. The understanding of this, on the other hand, can also be used to explain the presence or absence of gender bias in entrepreneurship.

Participants in this research were taken from three regions that considered as batik producers like Pekalongan, Lasem, and Gemawang, Central Java Province. This province was chosen because all the regencies/cities are batik industries. These three locations were picked up due to the large number of batik small and medium enterprises found here, whether they have already exported or not. In addition, these regions have their own unique aspects. Lasem was picked up because its batik is a mixture of Javanese culture and Chinese culture (mixture); Pekalongan was selected since its batik is a mixture of more complex cultures, including Chinese, Malaysian, Japanese, Dutch, and Arab. Besides, Pekalongan batik has developed to become a batik industry that is not only handmade and printed, but also it is a printing industry (assortment). Then Gemawang was chosen because it is a new batik area that does not have a special cultural characteristic. Related to this, 6 participants were chosen from 3 different locations, who were considered being able to reflect the conditions/variations of shoreline and non-shoreline batik regions.

This research was planned to be conducted in three stages of data gathering, processing, as well as analysis and synthesis. The data collection has been done with an observation technique, in-depth interviews, discussion, communication, and interactions through social media. Arranging the transcripts, reduction, grouping, themes, and patterns were part of the data processing stage, before conducting an analysis and synthesis by using a union analysis through searching for similarities and differences from the information collected.

Before being analyzed, a data validity testing was conducted with different methods (triangulation). There were different interview techniques, observations, sources, and times utilized. After the data underwent a reduction process, coding, grouping, classification, theme and pattern arrangement, the data was then analyzed by using a union technique, by narrating the field data and describing in-depth about the funding strengths for female batik entrepreneurs. Union analysis is looking for the same answers, then put together and separate different answers so that research findings are obtained.

## FINDINGS AND DISCUSSIONS

There are two ways to develop a business. The first is by following the habits that have been handed down over the years, going on with the batik business environmental condition. When ordering raw materials, making a design, doing batik, drying it out, and marketing the products, it all follows the same pattern since long ago. They are already used to the ways and methods that have been done since the past. This pattern is usually found from the previous generation's habits (like parents) and the environment.

"I developed the business by just following the flow. I want this batik business to develop even more." (Mrs. Sri Rejeki, 41 years old, batik entrepreneur of Loyal Pekalongan)

"Since it is already my job, I just run it. I don't ever think about how much profit I make. The most important thing is that I can help my husband." (Mrs. Khafidoh, 40 years old, batik entrepreneur of D'Eva Pekalongan).

The second is by starting from scratch, from trial and error, by joining training and market developments as well as working with other entrepreneurs. In this group, developing their businesses is done by continuously looking for patterns and methods that make their businesses become advanced. Pattern or design innovations, colors and coloring, workforce management, marketing, and funding are continually sought and done to develop their enterprises.

"In the future, I want my business to be even more successful and expand my business, but I lack financial capital. Although there are many problems, I am still enthusiastic to keep this business going, so that it advances. For that, I want to learn the technical aspects of coloring. I also want to develop the batik patterns and designs based on the market needs. The biggest thing is having spirit, because I pioneered this from nothing. At first, I could not do anything. I want to market my products online." (Nurjanah, 27 years old, batik entrepreneur of Trisula Lasem)

"For instance, if there is a training invitation, the way to market online is very beneficial. So, in the future I want to do it online. Every time there is an offer to do an exhibition from the government, I always take it." (Mafludoh Fitrotaulah (Vivit), 22 years old, batik entrepreneur of Lasem)

Besides from the method, business development can also be done from the entrepreneur aspect. The primary principle in developing their financial capital is by having strong tenacity, working hard, being diligent, always wanting to advance, striving to develop, not being afraid to try something new, always wanting to learn to find a way to develop a business, wanting to sacrifice in order to develop the business, not just asking, and thinking of a batik business as one which has value, not just as a way to make goods. In order to develop a business, the proper strategies are also needed, such as the designing, coloring, and marketing.

"I want to try as much as possible to do my best work. One of the ways is by joining design and batik contests. The works that become the specialty products are those that show the wayang character themes, which are *punakawan* that are identic with Javanese people." Through her batik designs, she hopes that the Javanese culture will continue to exist, especially among the young generation. She is also active in doing promotions by joining a number of events like batik spectacular events that are held by the Rembang government. Every time there is a promotion offer, she thinks for a long time about becoming one of the participants. (Mafludoh Fitrotaulah (Vivit), 22 years old, batik entrepreneur of Lasem).

"Finally, three years ago (2013), my mom started a batik business, but it also failed because she did not have any experience or coloring (she really couldn't do any batik) and no marketing. She started to make one kind of cloth only. My mom's batik business was not as good as my neighbor's, and people often gave whatever prices they felt like giving at the time. I wanted to improve this condition by making a new motif. Only after four years, I started to handle the production, marketing, and

coloring. Fortunately, the business is starting to do better.” (Mafludoh Fitrotaulah (Vivit), 22 years old, batik entrepreneur of Lasem).

As seen from the business aspect, to adjust with the market buying power, two kinds of *mori* (cloth) raw materials are provided, the expensive (*primis*) one and the inexpensive (*prima*) one. The coloring patterns and techniques are adjusted according to the market taste. Meanwhile, to market it, it uses a simple shop window at home, joins exhibitions, a consignment to other batik makers, and some of them already have social media like Facebook and WhatsApp. Related with the employee salary system, they are paid directly for every job that is given. However, there is also another payment system utilized where they are paid only after they finish the task, so as to reduce the risk of defaults from employees and when the entrepreneurs experience liquidity constraints. If there are no differences, it means that when looking at the batik company’s financial documentation that has just been pioneered or after having been in operation for more than 10 years. They just record their sales transactions in a simple manner through sales slips. There are no company profit and loss reports. The indicator of whether a company is successful is very simple, as long as they can still buy raw materials and can fulfill their household needs. These female entrepreneurs admit they are not yet able to separate their household finances with their business finances.

Related to fulfilling funds, there are two ways to obtain funds. The first one is by starting to provide funds, and then the funds are used for a business. After the business starts, if the funds are still lacking, they will then borrow money from another institution to expand the business capacity. The stages are funds-business-funds-business.

“I started the business by using funds from my husband and parents. Then after running the business for 2 years, I then borrowed KUR funds from BRI in the amount of 20 million rupiah. From these funds, I could buy more raw materials and I could produce and sell more batik.” (Mrs. Muflikah, 33 years old, handmade batik entrepreneur of Lasem).

The second is to bring in funds through a business that is being run. There is an interesting aspect in the *Gewawang* case. In their viewpoint, those funds are a result not a cause. A funding offer will surface when the creditor sees entrepreneurial consistency and stable business potential. Therefore, they are not overly concerned with funds when a business starts out. The most important thing is a strong desire to carry out the business, possess, and/or work in coordination with those who have batik competency.

After having a strong desire to begin a business, in the start-up stage, they will use their own financial capital in the form of employee results. Of course, these funds are insufficient. Then they try to borrow IDR 5 million from the bank. Through the funding of IDR 5 million, there is a greater understanding about the business’ potential. Related to this, there is a desire, then they have funds, and from these funds, they apply it in their businesses, which will facilitate entrepreneurs to develop their businesses by adding to their financial capital. The stages start from a desire to run a business-funds-business-funds-business-funds-business.

“If you only have IDR. 5 million, it seems it is enough to start. Oh, there is great potential in the batik business. To be able to take advantage of the opportunities, a business has to be expanded. To expand it, you have to add to the financial capital by borrowing from the bank (KUR).” (Mrs. Nurjanah, 27 years old, batik entrepreneur of Trisula Lasem)

“At first, it started from my hobby to do batik. Then it was turned into a business continuously. There were no special funds provided for it. When I started the business, I used personal funds in the amount of IDR. 2 million to buy batik instruments (pan, bucket, stove, etc.). In 2013, I took a credit of IDR. 5 million from KUR BRI to purchase raw materials and pay for the workforce. The guarantee was only the Finance and Building Advisory Body (BPKB), because I did not have a commerce business permit (SIUP) yet. The time period was 1 year with installments of IDR. 480 thousand/month. The daily wages ranged from IDR. 20-30 thousand, depending on

the workers' abilities. The wholesale wages ranged from IDR. 50-75 thousand, depending on the level of difficulty of the motif. The wages were only given after the goods were completed. Then in 2014, I took credit again in the amount of IDR. 10 million to make a special batik work room. The funding source was from KUR BRI, with a 1-year period and installments of IDR. 898 thousand/month." (Miss Umi, 27 years old, batik entrepreneur of Gemawang)

There are at least four important things in developing the batik business. First, there are the entrepreneur, production technique, marketing, and funding. A desire to advance, enjoying one's job, being brave to try, being creative, being innovative, and wanting to learn are important things in running a business. Second is the production aspect that is characteristic in a design or pattern that follows a trend as well as the appropriate coloring technique to develop the batik business to become better. The marketing aspect also needs to be considered. In general, a strategy used is besides selling from home, sales are done by joining exhibitions, whether they are done by oneself or given to a friend as well as through cheaper social media. They do not all use information technology (for instance, through the Web) in marketing their products. The final aspect is funding. There are two aspects in funding, which are funds as a cause, meaning funds become a production factor. If there are funds available, then the business comes to fruition and runs successfully.

On another side, funds are considered as results. Funds can have a meaning as a consequence of a business that is already in operation. When the business is able to sustain itself and keep operating, then fund offers will actually come. Funds follow business development. This section presents an objective elaboration of the research findings that relate to the research objectives and based on the methodologies applied, as well as the discussion and analysis of said findings. Findings of the research should be arranged in a logical sequence. Meanwhile, the discussion section interprets and describes the significance of the findings in light of what was already known about the research problem being investigated, and to explain any new understanding or insights that emerged as a result of the current study. The discussion will always connect to the introduction by way of the research questions and the reviewed literature.

## CONCLUSION

To develop and maintain the business, there are several ways to do, the first one is letting it flow, just doing the business every day. By doing that, there will be ways to solve problems in business and how to develop the business. Next, is by trial and error, begins by designing batik, coloring, and also marketing so that the right business patterns will be obtained. With enthusiasm, optimism, willing to keep going, proactive, creative and innovative, there will be solutions for every problem faced so that the business can be developed and maintained. The learning will be obtained from the entrepreneurial spirit. Entrepreneurial spirit causes learning, learning causes creativity and innovation, and this can then improve business to be better, the market expands, and also the profit increases.

Based on these findings, it needs to be re-explored about masculinity in entrepreneurship, is that really generally accepted? or depending on the field of business? That could be the direction of future research.

This research produced a proposition in the form of a financing model for small and medium enterprises. In the future, empirical testing needs to be conducted, in order that a model generalization can be obtained. There are two funding perspectives, which are supply and demand. As of now, there is no known in-depth study of this issue. Besides that, this research also suggests to measure business performance by inputting entrepreneurial indicators by measuring their knowledge, attitude, expertise, attitude, and welfare.

When doing research about gender entrepreneurship, it needs to be differentiated whether women entrepreneurs have families or not. When the women entrepreneurs have families, in reviewing their business activities and performance, it is also necessary

to pay attention to the responsibilities that are faced by the women. Women entrepreneurs will certainly have to adjust between their family and entrepreneur roles. They will not take high business opportunities that can disrupt their family harmony. Based on the expectancy theory, a person will be interested in something when what is expected and the actual condition are different. The higher one's expectation is, the higher the activities that are conducted [19]. However, what happens to women entrepreneurs who have families is related to how they can support and play a role in their families, not just to reach a high social status, moreover to obtain power. When women entrepreneurs delve into the business world, they will harmonize their roles and activities, so that they do not aspire to have high or remarkable results. They will search for the optimum condition in an effort to acquire prosperity. The expectancy theory seems to be too idealistic, because only certain individuals can view a high correlation between work performance and appreciation [20]. A substantive theory which can be suggested is the optimum expectation theory. Of course, these findings still need to be further explored by doing follow-up research.

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