Original Research Article

THE INFLUENCE OF DEVELOPMENT AND ALTERNATIVE SOLUTIONS FOR THE DEVELOPMENT OF SMALL AND MEDIUM INDUSTRIES IN HULU SUNGAI TENGAH DISTRICT

ABSTRACT

Analysis of the Effectiveness and Influence of Small and Medium Industry Development on the Income of Small and Medium Industry Actors in Hulu Sungai Tengah Regency. The research aims to analyze the influence of coaching and alternative solutions for developing SMEs in Hulu Sungai Tengah Regency. This research is about Small and Medium Industry actors in the Hulu Sungai Tengah Regency Trade Service who had the opportunity to receive guidance from the Trade Service in the industrial sector of Hulu Sungai Tengah Regency. The respondents in this research were 38 respondents from Small and Medium Industry actors in Hulu Sungai Tengah Regency, and this research used quantitative methods, data collection techniques using interviews, observations and documentation. Data analysis by analyzing the impact on respondents and SWOT analysis. The F test is carried out to test whether development (X1), capital (X2), education (X3), labor (X4) and marketing network (X5) together have a significant influence on income (Y) from Small and Medium Industries (SMEs) Hulu Sungai Tengah Regency. Based on the SPSS output table above, the Sig value is known. is 0.000. Because the Sig value. 0.000 < 0.05, then according to the basis of decision making in the F test it can be concluded that the hypothesis is accepted or in other words Development (X1), Capital (X2), Education (X3), Labor (X4), and Marketing Network (X5) simultaneously influences the Income (Y) of Small and Medium Industries in Hulu Sungai Tengah Regency. Based on the diagram above, the position of SMEs by respondents is in quadrant III (negative, positive), this position indicates a business that is weak but has great opportunities. The strategy recommendation given is Change Strategy, meaning that the organization is advised to change its previous strategy. Because, it is feared that the old strategy will be difficult to capture existing opportunities while improving the business being carried out.

Keywords: Development, Alternatives, Development of Small and Medium Industries, HST

1. INTRODUCTION

The distribution of the working population according to business fields in Hulu Sungai Tengah Regency is still diverse and in fourth place the livelihood of the population in Hulu Sungai Tengah Regency is in the industrial sector at 9.15%. The small and medium industry sector in Hulu Sungai Tengah Regency provided the second largest contribution to Gross Regional Domestic Product in 2019, namely 14.27% after agriculture, whose figure decreased from 2015 to 2019, namely 24.03%, even though the livelihood of Hulu residents The majority of Sungai Tengah itself is in the agricultural sector. (Source, Central Statistics Agency 2021)

However, during the pandemic, in Hulu Sungai Tengah Regency, the contribution of the industrial sector decreased, because many business actors were directly affected by the pandemic. The pandemic has reduced people's purchasing power, which has caused the production of goods and services from small and medium industries to decrease, as a result, income from small and medium industry players has also decreased and operational problems have even occurred (Hadayaji, 2010). The industries affected include the clothing industry, metal industry and food industry. On the other hand, during the pandemic, there were also industrial sectors that experienced profits, such as the herbal product processing industry

(traditional medicine, herbal plants, etc.). Apart from the industrial sector which experienced an increase during the pandemic, there were also business sectors which experienced an increase according to the season, such as during the rainy season and during floods in the Hulu Sungai Tengah Regency area, such as the automotive industry and vehicle repair (2012).

The small and medium industrial sector in Hulu Sungai Tengah Regency itself has received a lot of assistance from the relevant government such as capital assistance, coaching and training from the trade department, even training on social media-based sales has been attempted by the trade department but in this case it is still experiencing obstacles because Many industrial players are still technologically illiterate, so there is still a lot of promotion and sales of industrial products and services in Hulu Sungai Tengah Regency by selling directly (Assauri, 2009).

Apart from that, the relevant government, in this case the Trade Service, has made a lot of efforts to develop Small and Medium Industries in Hulu Sungai Tengah Regency. It is hoped that in the future all industries in HST Regency can grow further and show ever-increasing development.

It is hoped that in the future the trade department will be able to help small and medium industry players better in running and evaluating their businesses so that the development of small and medium industry can increase, attract more workers and play a bigger role in economic growth in Hulu Sungai Tengah Regency. With the background as above, the author wants to know

Analysis of the Effectiveness and Influence of Small and Medium Industry Development on the Income of Small and Medium Industry Actors in Hulu Sungai Tengah Regency. The research aims to analyze the influence of coaching and alternative solutions for developing Small and Medium Industries in Hulu Sungai Tengah Regency.

2. RESEARCH METHOD

This research is about Small and Medium Industry actors in the Hulu Sungai Tengah Regency Trade Service who had the opportunity to receive guidance from the Trade Service in the industrial sector of Hulu Sungai Tengah Regency. The type of data from this research is primary data, primary data is a data source that directly provides data to data collectors (Sugiono, 2011). The data source in this research is combined data, namely a combination of quantitative and qualitative data obtained from distributing questionnaires where respondents were given statements and alternative answers as well as a SWOT questionnaire.

The respondents in this research were 38 respondents from Small and Medium Industry (IKM) actors in Hulu Sungai Tengah Regency, and this research used quantitative methods, data collection techniques using interviews, observations and documentation. Data analysis by analyzing the impact on respondents and SWOT analysis.

Data analysis technique

The F test is carried out to test whether development (X1), capital (X2), education (X3), labor (X4) and marketing network (X5) together have a significant influence on income (Y) from Small and Medium Industries Hulu Sungai Tengah Regency (Fausiah, 2016).

1. H0:β0 = This means that the variables coaching (X1), capital (X2), education (X3), labor (X4) and marketing network (X5) together do not have a significant influence on the income (Y) of the Small

and Medium Industries of Hulu Sungai Tengah Regency.

2. H_0:β0 ≠ meaning that the variables coaching (X1), capital (X2), education (X3), labor (X4) and marketing network (X5) together have a significant influence on the income (Y) of the Small and Medium Industries of Hulu Sungai Tengah Regency.

Decision making criteria (Ghozali, 2018):

1. accepted if the probability value F > error rate (α)0,05
2. accepted if the probability value F < error rate (α) 0,05

SWOT analysis can be used to examine alternative solutions for developing small and medium industries in Hulu Sungai Tengah Regency.

1. Strengths: Identify positive factors in developing small and medium industries in Hulu Sungai Tengah Regency which can increase the income of small and medium industry players. This may include government support, training, access to markets, or collaboration with other industry players.
2. Weaknesses: SWOT analysis also helps in identifying weaknesses in small and medium industry development programs that can hinder revenue growth. For example, deficiencies intraining, poor infrastructure,or complex bureaucracy.
3. Opportunities: Identify external opportunities that can be utilized by small and medium industrial players in Hulu Sungai Tengah Regency. This could include growing market demand, export potential, or support from regional or international organizations.
4. Threats: Identify external threats that might affect the income of small and medium industry players. This could be increased competition, regulatory changes, or economic risks

3. RESULTS AND DISCUSSION

From the results of the research, to see the simultaneous influence of capital, coaching, education, number of workers, and marketing network on the income of Small and Medium Industries in Hulu Sungai Tengah Regency, Multiple Regression Analysis was tested. The test results are presented in the following table:

Table 1. Simultaneous Test (F Test)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3600552065718762,000	5	720110413143752,400	169,600	,000[b]
	Residual	135870273754922,100	32	4245946054841,315		
	Total	3736422339473684,000	37			

a. Dependent Variable: Income (Y)

b. Predictors: (Constant), Development (X1), Capital (X2), Education (X3), Labor (X4), Marketing Network (X5)

Based on the SPSS output table above, the Sig value is known. is 0.000. Because the Sig value. 0.000 < 0.05, then according to the basis of decision making in the F test it can be concluded that the hypothesis is accepted or in other words Development (X1), Capital (X2), Education (X3), Labor (X4), and Marketing Network (X5) simultaneously influences Income (Y) (Gibson, 2011).

Based on the Significance Value (Sig.) of the Anova Output

- • If the Sig. < 0.05, then the independent variable simultaneously influences the fixed variable (hypothesis is accepted)
- • If the Sig. > 0.05, then the independent variable simultaneously has no effect on the fixed variable (hypothesis is rejected)

Based on the SPSS output table above, the Sig value is known. is 0.000. Because the Sig value. 0.000 < 0.05, then according to the basis of decision making in the F test it can be concluded that the hypothesis is accepted or in other words Development (X1), Capital (X2), Education (X3), Labor (X4), and Marketing Network (X5) simultaneously influences the Income (Y) of Small and Medium Industries in Hulu Sungai Tengah Regency.

Structural and sustainable empowerment of Small and Medium Industries is considered very important in economic development. Indirectly, it will also increase the income and economy of Hulu Sungai Tengah Regency. Empowerment of Small and Medium Industries should be more focused on increasing productivity and product competitiveness, as well as efforts to grow new entrepreneurs. Small and Medium Industries are based on at least three reasons, namely, employment absorption, use of local resources and increasing Small and Medium Industries have a positive impact in increasing the number of workers, reducing the number of poverty, and equalizing the distribution of income per capita of the community in Hulu Sungai Tengah Regency. This is in accordance with Yuli's income (2013), the income distribution of small and medium industries is at low inequality and the fulfillment of living needs is better, if income from small industries is included in total household income. Meanwhile, according to Hidayaji (2010) business income variables have a positive and significant effect on increasing the income of small and medium industries (Hendrik, 2011).

Table 2. Autocorrelation Test

Model Summary[b]

Model	R	R Square	AdjustedR Square	Std. Error of the Estimate	Durbin-Watson
1	.982[a]	.964	.958	2060569.352	2.054

a. Predictors: (Constant), Marketing Network (X5), Capital (X2), Education (X3), Development (X1), Labor (X4)

b. Dependent Variable: Income (Y)

The Durbin Watson value in the SPSS output table above is the calculated Durbin Watson value which will be compared with the Durbin Watson (DW) Table value, both the DU (Durbin Upper) value and the DL (Durbin Lower) value. The terms of decision making for the Durbin Watson test are as follows:

If d (durbin watson) is smaller than dL or greater than (4-dL) then the null hypothesis is rejected, which means there is autocorrelation.

If d (durbin watson) lies between dU and (4-dU), then the null hypothesis is accepted, which means there is no autocorrelation.

If d (durbin watson) lies between dL and dU or between (4-dU) and (4-dL), then it does not produce a definite conclusion.

Based on the SPSS output table above, it is known that the Durbin-Watson (d) value is 2.054. Next, this value will be compared with the Durbin Watson table value at 5% significance with the formula (k ; N). The number of independent variables is 5 or "k" = 5, while the number of samples or "N" = 38, so (k ; N) = (5 ; 38) This number is then seen in the distribution

of values in the Durbin Watson table. So it was found that the dL value was 1.204 and dU was 1.790. The Durbin-Watson (d) value of 2.054 is greater than the upper limit (dU) which is 1.790 and less than (4-du) 4-1.790 = 2.210. So as is the basis for decision making in the Durbin Watson test, it can be concluded that there are no problems or symptoms of autocorrelation.

The SWOT analysis used in this research uses a quantitative approach where respondents will be asked several questions regarding the SWOT of the business being carried out in current conditions and the urgency of handling it and then choose answers in the form of assessments with predetermined numbers. A quantitative approach uses SWOT analysis calculations developed by Pearce and Robinson (1998) to know for sure the actual position of the business. The calculations are carried out in three stages, namely:

Calculate the score (a) and weight (b) of factor points as well as the total number of multiplications of scores and weights (c = a x b) for each S-W-O-T factor; Calculating the score (a) for each factor point is done independently (the assessment of one factor point must not be influenced or influence the assessment of other factor points. The choice of the score range really determines the accuracy of the assessment, but what is commonly used is from 1 to 10, with Assuming a value of 1 means the lowest score and 10 means the highest score. The assessment of scores and weights in this study is interpreted as an assessment of current conditions (1-5) and urgency (1-4).

The calculation of the current condition assessment (1-5) for each factor point is carried out interdependently. This means that assessing one factor point is by comparing its level of importance with other factor points. So the calculation formulation is the value that has been obtained (the value range is the same as the number of factor points) divided by the number of factor points.

Subtract the total number of factors S with W (d) and factors O with T (e); The resulting number (d = x) then becomes a value or point on the X axis, while the resulting number (e = y) then becomes a value or point on the Y axis;

Look for the organization's position indicated by the point (x,y) in the SWOT quadrant. Difference between Total Strengths – Total Weaknesses = S – W = x. Difference in Total Opportunities – Total Challenges = O – T = y.

After grouping the strengths, weaknesses, opportunities and threats of the respondents' small and medium industries, they will be analyzed using SWOT which can produce possible alternative competitive strategies. Apart from paying attention to the factors above, from the strengths and weaknesses (internal factors) and opportunities and threats (external factors) in the efforts to develop small and medium industries carried out by respondents, an Internal Factor Analysis Summary (IFAS) and an External Factor Analysis Summary (EFAS) can be prepared.).

Table 3. Internal Factor Analysis Summary (IFAS)

No.	strengths	Condition	Urgency	Score
1	Get training from the Trade Department	0,18	3,6	0,63
2	Obtaining machines/equipment by the Trade Department	0,06	3,5	0,22
3	The Department of Trade provides a place for training	0,18	3,4	0,60
4	Supported by trainers who match their competencies	0,18	3,6	0,65
5	Budget for small and medium industries from the Department of Trade	0,15	3,3	0,50
6	Own machines/equipment available	0,15	3,7	0,55

7	Adequate capital from small and medium industry players	0,10	3,9	0,41
		1	25	3,56

No.	Weaknesses	Condition	Urgency	Score
1	The promotion carried out is not optimal	0,16	3,9	0,64
2	Lack of monitoring after training/coaching	0,16	3,7	0,59
3	Technology is still lagging behind / technology is poor	0,19	3,8	0,73
4	Lack of innovation and creativity	0,16	3,8	0,62
5	Market share is still lacking	0,18	3,9	0,71
6	Difficult to obtain production factors	0,14	3,5	0,48
		1	22,6	3,78

Table4. External Factor Analysis Summary (EFAS)

No.	Opportunities	Condition	Urgency	Score
1	Response of small and medium industry players to the guidance provided by the Trade Department	0,22	3,8	0,82
2	small and medium industries participating in the exhibition	0,20	3,5	0,71
3	Potential for business expansion	0,20	3,6	0,73
4	Opening new job opportunities	0,18	3,2	0,58
5	Sales are also based on social media	0,20	3,6	0,71
		1	17,7	3,55

No.	Threats	Condition	Urgency	Score
1	Products/services cannot compete	0,20	3,3	0,65
2	The character of small and medium industry players who are not quick to follow changes	0,20	3,3	0,65
3	High level of business competition	0,29	3,5	1,03
4	Lack of place to market products	0,31	3,7	1,15
		1	13,8	3,48

In the IFAS table above, the strength factors have a score of 3.56, while the weakness factors have a score of 3.78, meaning that the small and medium industries run by respondents have lower strengths than the weakness factors in determining strategy. compete. Furthermore, in the EFAS table above, the opportunity factors (Opportunities) have a score of 3.55 and the threat factors have a score of 3.48. This means that in an effort to determine the competitive strategy of small and medium industries, respondents have quite a big opportunity. compared to the threats that arise (Suratawan).

From the results of the arrangement of internal and external factors above, a series of scores are produced as follows: Strengths (S) = 3.56, Weaknesses (W) = 3.78, Opportunities (O) = 3.55 and Threats (Threats/T) = 3.48.

To determine a more specific strategy from the values entered in the strategy choice diagram, because the results from the table show that the existing scores lead to a turn around strategy. Based on the score which shows that the strengths are smaller than the weaknesses, the results appear in the following diagram:

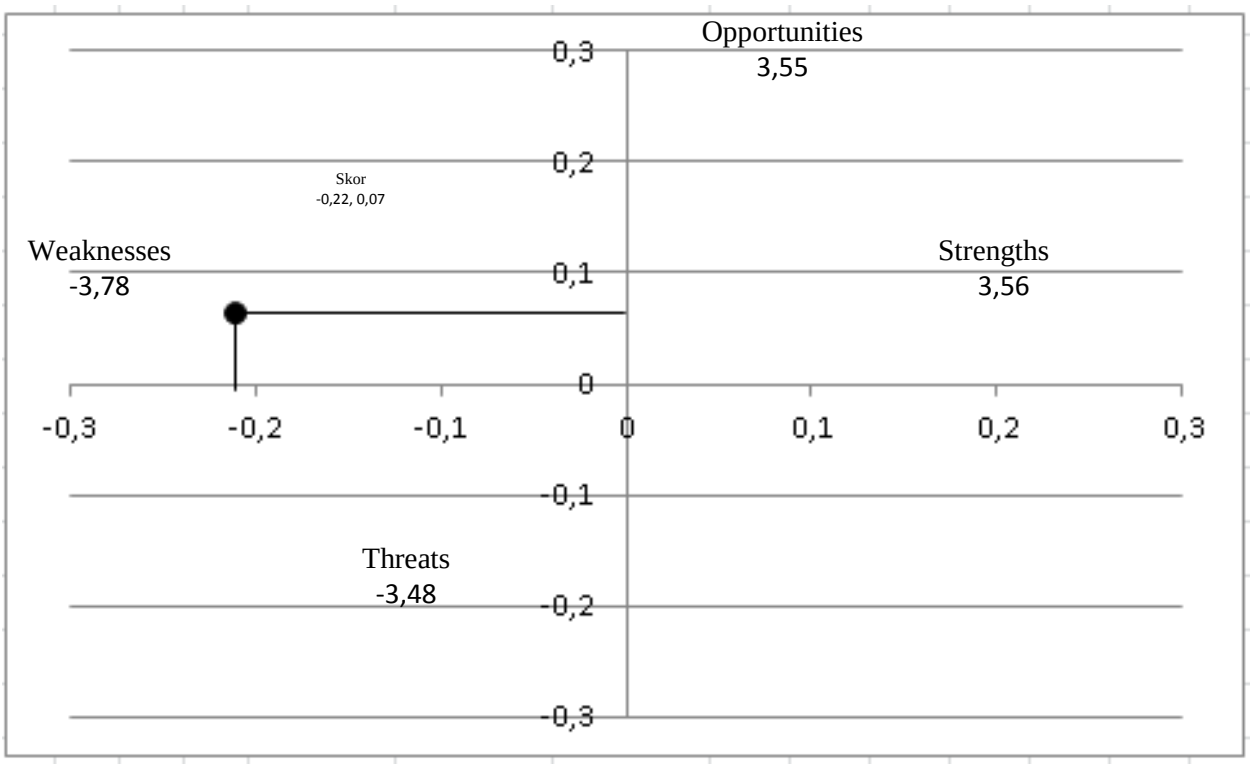

Figure 1. SWOT Analysis Results

Based on the diagram above, the position of the respondent's small and medium industry is in quadrant III (negative, positive), this position indicates a business that is weak but has great opportunities. The strategy recommendation given is Change Strategy, meaning that the organization is advised to change its previous strategy. Because, it is feared that the old strategy will be difficult to capture existing opportunities while improving the business being carried out.

Based on the SWOT analysis diagram, it shows that the business position is in quadrant three, where a business has huge opportunities from the market but has weaknesses in terms of internal resources. Alternative solutions for developing Small and Medium Industries in Hulu Sungai Tengah district should focus on strategies in conditions like this which should be to eliminate internal weaknesses so that they can concentrate on pursuing available market opportunities..

Based on the description in the table above, it can be seen that the appropriate strategy for small and medium industries to carry out is as follows:

1. Strength Opportunity (SO) Strategy A strategy that can be used by small and medium industries to take advantage of their strengths by making the best use of opportunities
2. Strengths Threats (ST) Strategy A strategy that can be used by small and medium industries by utilizing strengths to overcome existing threats
3. Weakness Opportunity (WO) Strategy A strategy that can be used by small and medium industries by minimizing weaknesses and taking advantage of existing opportunities
4. Weakness Threats (WT) Strategy A strategy that can be used by small and medium industries to minimize weaknesses to overcome existing threats.

4. CONCLUSION

Based on the SPSS output table above, the Sig value is known. is 0.000. Because the Sig value. 0.000 < 0.05, then according to the basis of decision making in the F test it can be concluded that the hypothesis is accepted or in other words Development (X1), Capital (X2), Education (X3), Labor (X4), and Marketing Network (X5) simultaneously influences the Income (Y) of Small and Medium Industries in Hulu Sungai Tengah Regency. Based on the diagram above, the position of SMEs by respondents is in quadrant III (negative, positive), this position indicates a business that is weak but has great opportunities. The strategy recommendation given is Change Strategy, meaning that the organization is advised to change its previous strategy. Because, it is feared that the old strategy will be difficult to capture existing opportunities while improving the business being carried out.

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