Factors Affecting

by Nel Arianty

FACTORS AFFECTING HOUSEHOLD INDUSTRIES IN INCREASING REVENUES

Nel Arianty[1]

nellarianty@gmail.com

Muis Fauzi Rambe[2]

[1,2] University of Muhammadiyah Sumatera Utara

Abstract

The purpose of this research is to make household industry industry able to compete and able to face ASEAN Economic Community and can increase family income. So to support this research, researchers make observations and observations of the household industry and analyze the factors - factors that can increase the business of home industry. Thus the business of home industry is expected to produce a new product of quality, innovative.This research uses research and development method. The population of this research is all household industry in Percut Sei Tuan sub district, Deli Serdang, North Sumatera consisting of 18 villages and 2 sub-districts. Because of the difficulty of getting a home industry business willing to be sampled, the village area is taken into 10 villages. The method used through primary data with the spread of questionnaires and secondary data is through literature study. Data analysis was done descriptively with data collection obtained from questionnaire and open questionnaire. From the results of a survey conducted by researchers in Percut Sei Tuan Subdistrict Deli Serdang District, some small industry businesses in this case the household industry manages its business with a system that is still simple, even though the products produced by the household industry business has the opportunity to be in the interest of the community . Therefore, the home industry industry needs a good strategy for the perpetrators of home industry business can survive and expand its industrial network.

Keywords: Household Industry, Competitive Strategy, Income

INTRODUCTION

The Government of Indonesia through various economic policies has sought to develop and empower small and medium-sized enterprises as a support for the national economy, both as a provider of employment, business, and foreign exchange earning. As stated in previous research Rahmana (2009) stated that small and medium industry enterprises have shown their role in job creation and as an important source for Gross Domestic Product (GDP) growth.

On the other hand, small and medium enterprises that are very much able to survive in a crisis situation but have a small portion of the role in the national economy. This shows that the resilience of Indonesia's national economy actually resides in the household industry which is massively the scale of the populist economy. Therefore, in the household industry should have a strategy to produce better products, quality, always innovate and expand the marketing network.

The problems faced by small and medium enterprises are usually related to the difficulty of obtaining quality raw materials but the affordable price of the inability to fulfill the financial obligations are the lack of capital, the availability and the lack of skilled human resources, the management of the production of less professional products resulting in less innovative and less attractive promotions. This is because the knowledge of small and medium enterprises is very limited and limited. Therefore, innovation management is an important factor to determine the development of small and medium enterprises (Eko Sasono & Sasmi Y, 2014).

By looking at the performance of home industry business where the support from the government especially in terms of capital and things that support network marketing products In addition, small and medium enterprises also need a skilled workforce in creating products. The main problems faced by small industries are the inability to meet financial obligations, declining production and lack of marketing. (Susilo 2008)

This research was conducted in Deli Serdang Regency, especially in Percut Sei Tuan Subdistrict, where in Percut Sei Tuan sub-district many home industries especially snacks from the initial survey conducted by the researcher can be drawn assumption about 60% of society at sub-district have business Household industry making snacks, and snacks are favored by the community.

The problems faced by household industries, especially snack foods dikecamatan is the difficulty of getting raw materials, lack of capital, human resources are less creative, and its marketing. From the problems that exist to produce less-quality snack products, less innovative and less extensive product distribution. So the product is only known and known by the community around the industry-making environment only.

Based on the problems faced by the home industry, a better model and relavan is needed to support the problems and provide solutions and contributions so as to increase the income of the community, especially small industry actors in Percut Sei Tuan sub-district.

LITERATURE REVIEW

Household Industry

Obstacles faced by small businesses are human resources, limited capital, marketing, distribution channels, raw material procurement and limited access to information about market opportunities. The capital used by small businesses comes from money / self-saving, due to the complexity of credit terms and high loan interest rates, making it difficult for small businesses to access credit to banks. But many small businesses are collapsed due to obtaining large amounts of credit because of the wrong allocation of loan funds, the credit that should be used for productive business is actually used for consumptive purposes.

The problems faced by home industry are raw material, capital, management and marketing (Apretty, 2000). The problem of raw material procurement is caused by various things, such as the nature of seasonal agricultural products, high level of diversity, abundant production amount at a time, easily damaged and not durable.

In terms of marketing, entrepreneurs have not developed their products on standard quality and standards, low product design capability, less precise delivery, and yet can not meet the quantity of products desired by consumers. At this time the product competition is increasingly widespread, the case of product quality is very important to be highlighted then the logical consequence is that product quality can be shifted by the quality of other types of products.

Another problem often faced by home industry enterprises is the low ability to access to capital sources, whether in the form of bank or non-bank financial institutions. Imbalance of access for small businesses and households in obtaining capital sources to expand their business.

Concept of Competitiveness

According to Porter (1980), competitiveness (ability / strategy to compete) of a product / company / industry is not only seen from the side of production (the ability to produce cheap products) is still a combination of the end result (effort / mission) policy) to achieve it. These efforts (described as competitive strategy wheels) are not just production efforts (manufacturing, product lines and research and development), but involving financial, marketing and target markets, sales, distribution, procurement and purchasing of goods and labor.

Tulus Tambunan (2002) The competitiveness of the company can be determined by many factors, seven of which are very important are: skill or educational level of workers, employers skills, capital availability, good organizational and management systems (as business needs), availability of technology, availability information, and availability of other inputs such as energy, and raw materials.

Income

Revenue is the net acceptance of a person, either in cash or in kind (Samuelson and Nordhaus, 2002). Soeharjo and Patong (1973) revenues are services of cooperation of factors of production, land, labor, capital, and management. Paton and Littleton (in Hendriksen, 1989) income is the process of flow, namely the creation of goods and services by the company over a certain distance. While the Accounting Principle Board (APB) defines income as a gross increase in assets and gross decline in liabilities assessed on accounting principles derived from profit-seeking activities.

According to the Statement of Financial Accounting Standards No. 23 (2004), income is income arising from the activities of a company normally known by different names such as sales, fees, dividends, royalties, and rent.

The amount of per capita household income per month in each business unit varies depending on the amount of monthly income divided by the number of family members (Ali, 2004).

According to bardaini (2006) kinds of income in terms of the form there are three namely:

1. Income in the form of money is any income in the form of money that is usually received as a reward for achievement of the main sources ie in the form of salary and wages.

2. Revenues in the form of goods shall be any income which is regular and ordinary, but not always in the form of remuneration and received in the form of goods, for example, in the form of salaries realized in the form of rice, medicine, housing.

3. Revenues other than receipts of money and goods are all transfers of redistribution and usually bring changes in household finances, such as the sale of goods used for money borrowing, sweepstakes, inheritance, debt collection.

METHODS

This research uses research and development method. The population of this research is all household industry in Percut Sei Tuan sub district, Deli Serdang, North Sumatera consisting of 18 villages and 2 sub-districts. But because of the

difficulty of getting a home industry business that is willing to be sampled therefore the village area is taken into 10 villages where the results of the initial survey research that has more home industry business from other kelurahan Method used through primary data with the spread of questionnaires and secondary data is through literature studies and literature on many books. Data analysis was done descriptively with data collection obtained from questionnaire and open questionnaire.

Descriptive statistical analysis used to see the results of the responses of respondents to each indicator by describing the data through the frequency distribution table of respondents' answers to the proposed statement. According to Umar (2003) to know the respondents' scores whether or not the average scores were divided into four classifications from scale 1 (lowest) to scale 5 (the highest) can be calculated by the formula:

$$\text{Average score} = \frac{m\,(n-1)}{m \times n}$$

Information :

m = number of respondents

n = number of scales

thus, the classification of the assessment of the overall research variables will be seen from the average score with the following criteria:

1.00 - 1.80 = not very good / very low

1.81 - 2.60 = not good / low

2.61 - 3.40 = less good

3.41 - 4.20 = good / high

4.21 - 5.00 = very good / very high

Therefore, the stages are used as follows: identification of household industry business problems to increase family income; secondly, identifying strategies for household industries in increasing family income, especially light meal.

Based on tabulation and data processing then obtained the following research results:

Table 1

Raw material	SS		S		KS		TS		STS		average score	Info
	Σ	%	Σ	%	Σ	%	Σ	%	Σ	%		
1. ensuring the availability of production raw materials to support the performance of household industries	3	3.6	2	2.4	30	36.1	47	56.6	1	1.2	2.50	not good
2. economic conditions that are less stable, so greatly affect the price of raw materials and production prices	8	9.6	39	47.0	17	20.5	19	22.9	0	0	3.43	good
3. whether the raw material obtained is local	0	0	7	8.4	35	42.2	41	49.4	0	0	2.59	not good
4. raw materials obtained in accordance with the products produced	0	0	5	6.0	38	45.8	40	48.2	0	0	2.54	not good
5. easy raw	1	1.2	3	3.6	37	44.6	41	49.4	1	1.2	2.54	not

		SS ∑	%	S ∑	%	N ∑	%	TS ∑	%	STS ∑	%	average score	Info
	materials found in the market												good
6.	the existence of price variations to obtain raw materials	2	2.4	12	14.5	35	42.2	33	39.8	1	1.2		not good
7.	the quality of the raw materials strongly supports the resulting product	2	2.4	2	2.4	36	43.4	43	51.8	0	0	2.78	not good
												2.55	

capital		SS		S		N		TS		STS		average score	Info
		∑	%	∑	%	∑	%	∑	%	∑	%		
1.	The amount of start-up capital at the time of establishing a business that Mr / Mrs to spend enough	3	3.6	4	4.8	29	34.9	47	56.6	0	0		not good
2.	Costs incurred to pay employees per month is sufficient	0	0	8	9.6	28	33.7	47	56.6	0	0	2.43	not good
3.	The cost incurred for the purchase of raw materials is sufficien	4	4.8	3	3.6	30	36.1	46	55.4	0	0	2.45	not good
												2.57	

	SS		S		N		TS		STS		average score	Info
4. Expenses incurred for operational costs (electricity, water, telephone, transportation etc.) per month is sufficient	3	3.6	2	2.4	33	39.8	43	54.2	0	0	2.49	not good
5. Source of capital that father / mother acquire other than own capital, comes from the bank	3	3.6	3	3.6	28	33.7	48	57.8	0	0	2.50	not good
6. So far, is there any government assistance in terms of business capital	2	2.4	6	7.2	18	21.7	57	68.7	0	0	2.31	Not good
7. have done financial bookkeeping related to capital, production cost and sales	6	7.2	2	2.4	21	25.3	54	65.1	0	0	2.51	Not good
8. Your financial administration system is good	5	6.0	2	2.4	21	25.3	55	66.3	0	0	2.48	Not good
Human Resources	SS		S		N		TS		STS		average score	Info
	Σ		% Σ %		Σ		% Σ %		Σ		Σ	%

No.	Statement	Count	%	%	%	Count	%	%	%	Count	%	Mean	Category
1.	The amount of labor available in your business is sufficient	10	12	44.0	53.0	15	18.1	13	15.7	1	1.2	3.59	good
2.	easy source of labor obtained by the environment around the business	8	9.0	39	47.0	13	15.7	23	27.7	0	0	3.38	Not good
3.	educational background of labor is standard	5	6.0	4.8	4	25	30.1	49	59.0	0	0	2.57	Not good
4.	employees work day for six days a week	4	4	4.8	4.8	25	30.1	50	60.2	0	0	2.51	Not good
5.	working hours in one day is not time bound	3	3.6	9.0	10.8	21	25.3	50	60.2	0	0	2.57	Not good
6.	training is required for your workforce to determine the quality of work	3	3.6	5	6.0	26	31.3	49	59.0	0	0	2.54	Not good
7.	Your workforce needs to follow training or coaching by the government or the private	0	0	4	4.8	32	38.6	47	56.0	0	0	2.54	Not good

sector

	SS Σ	SS %	S Σ	S %	N Σ	N %	TS Σ	TS %	STS Σ	STS %	average score	Info
8. training or coaching affect the quality of tbsp	2	2.4	5	6.0	21	25.3	55	66.3	0	0	2.44	Not good

Marketing	SS		S		N		TS		STS		average score	Info
	Σ	%	Σ	%	Σ	%	Σ	%	Σ	%		
1. the amount of production in your business has reached the target	2	2.4	6	7.2	30	36.1	45	54.2	0	0	2.57	Not good
2. processed type in your business more than one kind	0	0	7	8.4	29	34.9	47	56.6	0	0	2.51	Not good
3. monthly turnover of your business has reached the target	5	6.0	3	3.6	26	31.3	49	59.0	0	0	2.56	Not good
4. product marketing area has reached wide area	0	0	9	10.8	28	33.7	45	54.2	1	1.2	2.54	Not good
5. promotions are needed to attract buyers	2	2.4	7	8.4	28	33.7	46	55.4	0	0	2.57	Not good

	SS Σ	SS %	S Σ	S %	N Σ	N %	TS Σ	TS %	STS Σ	STS %	average score	Info
6. promotion has an effect on increasing sales	1	1.2	4	4.8	30	45.8	40	48.2	0	0	2.59	Not good
7. sales of products made directly to buyers or customers	1	1.2	7	8.1	27	32.5	48	57.8	0	0	2.53	Not good
8. sales of products made indirectly to buyers or customers	0	0	11	13.3	28	33.7	44	53.0	0	0	2.44	Not good
9. competition in producing similar products is very vigorous	2	2.4	8	9.6	24	28.9	49	59.0	0	0	2.55	Not good

Income	SS Σ	SS %	S Σ	S %	N Σ	N %	TS Σ	TS %	STS Σ	STS %	average score	Info
1. education in the family supports the products produced	1	1.2	7	8.4	30	36.1	45	54.2	0	0	2.56	Not good
2. the income from the business earned is sufficient	3	3.6	5	6.0	29	34.9	46	55.4	0	0	2.57	Not good
3. expenditure needs for consumption compared to other non-	4	4.8	2	2.4	32	38.6	45	54.2	0	0	2.54	Not good

consumption needs (education, electricity, water, savings, transportation etc.) in my family is finished

No	Statement	F	%	F	%	F	%	F	%	F	%	Mean	Category
4.	family living conditions are adequate	1	1.2	9	10.8	29	34.9	44	53.0	0	0	2.60	Not Good
5.	family income is adequate to meet daily needs	1	1.2	6	7.2	29	34.9	47	56.6	0	0	2.53	Not good
6.	information through information media in the form of television, newspaper, internet, can increase family income	2	2.4	5	6.0	33	39.8	43	51.8	0	0	2.59	Not good
7.	communication media required in the form of phone or mobile phone in increasing family income	0	0	9	10.8	26	31.3	48	57.8	0	0	2.53	Not Good

FINDINGS

Small and Medium Enterprises are business activities capable of expanding employment opportunities to provide broad economic services to the community.

and can play a role in the process of equity and increasing public income, encourage economic growth, and play a role in realizing national stability. As one of the main pillars of the national economy, small and medium enterprises should have the widest possible opportunity, support, protection and development as a manifestation of firm alignment to the group of people's economic enterprises, realized through the empowerment of small and medium enterprises.

Based on surveys and interviews and from the results of questionnaires that have been processed in the home industry to increase family income in the district Percut Sei Tuan Deli Serdang District Percut Sei Tuan District, the problems faced are as follows:

1. Raw materials in view as a whole has an average value of 2.704 and categorized as having poor value this is caused in the household industry the lack of availability of raw materials to be processed, the difficulty of obtaining raw materials, raw materials obtained not in accordance with the keingiinan of the household industry, the price of expensive raw materials, the quality of raw materials less. From the existing problem, the business actor must perform the inventory when the raw material is in a cheap position and easily obtainable.

2. Capital in view as a whole has a general rating of 2,467 and categorized as having bad value. This is due to the fact that households' businesses at the time of establishing existing capital businesses are insufficient, so that sometimes at the time of salary payments to employees of the household industry enterprises get difficulties, the difficulty of obtaining loans either from the government or the private sector, has no clear bookkeeping or administration . From the problems faced should the business of home industry have sufficient capital and get help either from local government or private parties.

3. Human resources in view as a whole have an average grade of 2,767 and are categorized as having poor value. This is due to the efforts of the domestic industry to find difficulties in obtaining labor, non-support human resource background, lack of training provided to the source human power so that product quality is not innovative. From the problems faced should the business of home industry have a workforce that has the appropriate education. In addition, to produce quality products and innovative training needs, so that the resulting product better.

4. The overall look of marketing has an average value of 2,540 and is categorized as having bad value. It can be seen that in the household industry the resulting product is less innovative so that the sales turnover is very low and does not reach the target desired by the household industry entrepreneur, Besides marketing is not done to a large area, promotion is not done, do not pay attention to the consumer's keiginan as the buyer.

From the problems faced by the home industry business should conduct promotion and produce products according to the tastes of consumers today

5. Family income in overall view has an average value of 2,560 and is categorized as having less good value. This can be seen in the income derived from inadequate effort, inconsistent revenue expenditure

From the problems faced by the home industry industry in increasing the family income, should the local government help the problems faced by the household industry entrepreneurs. Because the home industry or small business has a great potential in mobilizing the economic potential of the community, and at the same time become the foundation of income as a large community in meeting their needs. Small and medium enterprises from year to year are concerned and evaluated in terms of their contribution to Gross Domestic Product (GDP), employment, investment growth, foreign exchange earnings through commodity and / or services exports.

In other words, the household industry business has an important role to provide additional income, as industrial development and as a complement to the production for the community. In addition, it can be said that small medium enterprises need a great attention to encourage its development through the approach of business empowerment, and culture of each region.

CONCLUSIONS

Limitations of the domestic industry in getting raw materials for production, thus becoming an inhibiting factor in producing quality products. The ineffectiveness of capital owned by home industries and capital support from third parties (financial institutions), thus hampering the volume of production. Human resources in this case the domestic industry players lack sufficient skills and skills, resulting in a less innovative product. Marketing issues include product development and marketing of small to medium enterprises still face problems in product development and marketing, lack of quality and product design according to customer needs. Family income is still relatively low despite the business

Suggestions

Based on the conclusion obtained then it is suggested as follows: Business actors in this case the home industry can see and mengobsevasi directly what factors should be considered in increasing the income problems faced by the household industry in increasing family income.The factors that must be considered and the problem is the raw material factor, capital factor, human resource factor and marketing factor, this factor should be a major priority in producing household industry products to increase revenue.

REFERENCES

Ali, D. (2004), Pemanfaatan potensi sumber daya pantai sebagai objek wisata dan tingkat kesejahteraan masyarakat di sekitar lokasi wisata, Tesis Magister yang tidak di publikasikan, Universitas Diponegoro Semarang.

Apretty, J. B. (2000). Analisis Dampak Krisis Ekonomi Pada Industri Tempe Skala Kecil (Studi Kasus : Di desa Citereup, Kecamatan Citereup, Kabupaten Bogor, Jawa Barat), Skripsi, Jurusan Ilmu-Ilmu Sosial Ekonomi pertanian. Fakultas Pertanian, Institut Pertanian Bogor. Bogor.

Eko Sasono & Sasmi Y, 2004, Manajemen Inovasi Pada Usaha Kecil Menengah. Semarang.

Hendriksen, Eldon S. 1989, Teori Akuntansi. Jakarta: Erlangga.

Porter, M.E. 1980. "*Competitive Strategy - Techniques for Analysing Industries and Competitors*". New York: NY: The Free Press.

Samuelson, dkk. 2002. Ekonomi. Jakarta: Erlangga.

Soeharjo A. dan D. Patong. 1973, sendi – sendi pokok usaha tani, Institut Pertanian Bogor.

Susilo, S.Y., Krisnadewara, P.D., dan Soeroso, A., (2008), "Masalah dan Kinerja Industri kecil Pascagempa: Kasus di Kabupaten Klaten (Jateng) dan Kabupaten Bantul (DIY)", Jurnal Akuntansi Bisnis dan Manajemen, Vol. 15 No. 2, Agustus 2008, hal. 271 – 280

Tambunan, T. 2002. Usaha Kecil dan Menengah di Indonesia. Edisi Pertama. PT. Salemba Empat Patria. Jakarta.

Factors Affecting