

## The Role of Human Resource in Batik Industry Case of Laweyan Community, Indonesia

Edi Kurniadi<sup>a\*</sup>

Asri Laksmi Riani<sup>b</sup>

Sarwono<sup>c</sup>

<sup>a</sup>Department of Fine Arts Education, Faculty of Teacher Training and Education, University of Sebelas Maret, Surakarta, Indonesia; <sup>b</sup>Department of Management, Faculty of Economics and Business, University of Sebelas Maret, Surakarta, Indonesia; <sup>c</sup>Faculty of Fine Arts and Design, University of Sebelas Maret, Surakarta, Indonesia.

### Abstract

Indonesia is a country with a socio-economic structure of society that is represented by the existence of the village. At present, there are many villages in Indonesia that have developed because of the economic efforts made by the village community. One of these villages is Laweyan village. Laweyan village is a well-known batik production in the development of Surakarta municipality. Up to this day, Kampung Batik Laweyan (Laweyan Batik Village) has become a brand image of batik in Surakarta and surrounding areas, even Laweyan's batik products have penetrated the international world. In Kampung Laweyan, batik business owner and their employees work together to conserve batik products as a result of the declaration of Kampung Laweyan as batik tourism village. The aim of this study is to develop quality and creativity in batik products, as well as product marketing. To achieve the improvement of human resource quality (business owner and employee) is needed. Training on various managerial skills and other skills will enable them to compete in the business world as well as to provide better services to customers. This study is descriptive in nature and the quantitative approach as the method. The data is collected using several methods: field observation, interview, Focus Group Discussion, and content analysis. The results of this study show that: 1) the craftsman/business owner in Laweyan batik industrial center always try to maintain the survival of their companies, with the knowledge provided to them and managerial and attitude training, they are better prepared to adapt to the recent development and the environment; 2) batik business or the production aspect of batik is considered to be more capable to survive in the competition by implementing better business management.

### Keywords

Training; management aspect; creativity

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## Introduction

### Background

Batik is a unique craft art that represents a noble culture and local wisdom that is owned by the Indonesian people. Batik Indonesia has been widely known in the international community and has been officially recognized by UNESCO by being included into Representative List of the Intangible Cultural Heritage of Humanity on 2nd October 2009. The entry of Batik Indonesia into UNESCO Representative List of Intangible Cultural Heritage of Humanity is an international recognition of one of Indonesian's cultures, therefore, it is expected to motivate and increase batik artisan respectfulness, reduce unemployment, reduce poverty, and support the efforts in improving people welfare. In 2008 the national batik industry reached export value of US \$ 38 million and absorbed 603 thousand workers, while business units in the batik industry are as many as 50,315 units (Prasetyo 2010).

Surakarta as one of the big cities in Indonesia has several batik products, one of them in Laweyan village, Laweyan community, especially batik artisan, are the one who started pioneering the activities to make Laweyan a tourism destination called Kampoeng Batik Laweyan and turned it into a batik industry cluster. Laweyan is a village of merchants as well as a trade center for the batik industry which began to grow in the early twentieth century. The spirit of entrepreneurship that belongs to the Laweyan community has ushered in the heyday of batik economy in that century (Mulyono and Sutrisno Kutoyo, 1980). Success in the economic field turned out to have an impact on the title

that was carried. Therefore Laweyan village is identical to the village of batik merchants. As a result, the life style and value orientation of Laweyan's people are different from those of Surakarta society in general (Sarsono dan Suyatno, 1985).

The social dynamic among batik artisans will take place if there is interaction among the artisans and they have psychological relationships that take place in situations that are experienced together (Santosa, 1992). The social dynamics of artisans in a batik company will bring out strength and encouragement to produce batik as a commodity of economic action which at the same time is a form of social action of artisans in the batik company. The works of the artisan to produce batik with various ornaments is expected to improve the economy for artisans. The work includes their efforts in finding the creative idea, designing, and production. The uniqueness of Kampung Laweyan in Surakarta (now known as Solo) with remnants of grand buildings, boutiques and batik industry which still exist, tells us a lot of things of history in the past (Priyatmono, A.F, 2004). However, the development of Laweyan as a center of batik industry due to: First, the royal palace, because batik has special value as a symbolic fixture on their rank and power. Second, a number of requests from the local consumers because batik has become consumer goods for the people. Surakarta batik production in 1910 to 1930, almost 85 percent were produced by Laweyan batik merchants (Soedarmono, 2006). When Laweyan became the center of batik cap (printed batik), it made Laweyan as a center of batik industry which resulted against the

rising wealth of the batik sharply. This wealth made batik merchants increasingly independent and not rely on the other party, along with the development of the region it was increasingly seen that Laweyan community groups had space pattern and the architectural of their own style which was created in purpose (Priyatmono, A.F, 2004).

Socio-economic analysis on batik production in Laweyan by focusing on the needs of the community is centered on the part of a system to fulfill the needs and to maintain its (Soekanto Soeryono, 1986). The social structure in the Laweyan Batik industry is affected by individual function as producing community which produces batik-based products demanded by consumers. In answering the economic problems, they create the product and sell it to earn the profit (Wilson Bangun, 2012).

In the production aspect, there are several problems such as the limited creativity and innovation from the artisans to develop batik products in term of motifs or style and coloring, both for batik tulis (written/canthing batik) and batik cap (stamp batik). In the marketing part, the companies have not performed promotion and market analysis to understand what the consumer wants. The current product manufacturing is not fully based on market needs. With several limitations on production and marketing part, a study on the role of human resource in the development of batik industry in Laweyan Surakarta is needed.

### **Problem Statement**

The problems that will be studied are 1). What is the potential of Human Resource in Laweyan Batik industry?

2). What has to be done to improve the potential of Human Resource in the production and marketing department in order to create and sell products that fulfill the market's need? 3). What are the supporting and inhibiting factors in the development of Human Resource in Laweyan Batik Industry?

### **Research Objectives**

This research aims to explore the potential of batik industry and to identify batik industry contribution for market's need, both at national and international level. This research also aims to improve the potential of Human Resource, especially in production and marketing department in order to increase the absorption of market needs. Besides that, to explore the supporting and inhibiting factors of Human Resource development in Laweyan Batik industry.

### **Research Method**

This research is descriptive research using quantitative approach. The location is selected under a judgment that Laweyan is the center of batik. The reviewed data sources are from 2017 publication. The respondents are batik industry players, both the owner and the employees/artisans. The other sources of data used are written documents related to batik industry in Laweyan and the whole atmosphere (places and events) in each batik SMEs in the region. In this research data is collected using several methods, including observation, interview, focus group discussion, survey, and document review. In order to achieve data validity, this research employs source triangulation method (Moleong, 2000). Every data collected

from a source is cross-checked with data obtained from other sources.

Interactive analysis (Miles & Huberman, 1984) underlies three main components, namely data presentation, data reduction, and verification/conclusion. Data presentation is an organization of information in the form of classification or categorization that allows conclusions to be drawn. Data reduction is the process of selecting, focusing, simplifying, and abstracting of raw data from field notes that will be transcribed and reduced to avoid overlapping. Drawing conclusions is an organization of data that has been collected so that a final conclusion can be made from the research conducted.

The internal and external analysis focuses on the internal and external factors that affect the development of Human Resource in Laweyan Batik industry. Basically, the internal-external analysis supports business including SMEs to achieve business success. In order to do that, the strength and weaknesses or the internal factors of a business. The internal factors are, among others, the capability, main competency, and resources owned by the industry/SMEs. On the other hand, the variables of an industry or external variables of the industry also need to be studied. The external variable is the external factors in the form of opportunity and threat. In general, external factors are difficult to control, therefore, anticipation is needed to control it. This is why the industry has to develop a long-term strategy to anticipate the external factors (MSG, 2013).

## Literature Review

### Batik

Batik comes from two words in the Javanese language “*amba*”, which means “writing” and “*titik*” which means “dot”. The word batik refers to the fabric with patterns produced by “*malam*” (wax) material applied to the fabric and prevents dye from entering the fabric. Making batik means drawing the complicated pattern (dots) on the fabric using wax and a tool called *canting* (Sariyatun, 2006; Cahyani, 2009). Batik is a craft that has high art or aesthetics value and has become an important part of the cultural life of the Indonesian people (especially Java) for a long time. In the past, Javanese women use their batik skill as a livelihood, so that in the past batik work was identical to women’s exclusive work. Batik as a cultural craft has the power to become a national cultural identity. As an art, batik traditional craft has distinctive cultural values and have been passed down from generation to generation. Therefore, batik needs to be maintained and preserved so that it will exist as local and national cultural identity (Sugiarti, 2010). The Laweyan area also has a unique designation, *Galgendu*. The place of existence of rich people. At that time the characteristic of batik merchants was that the technique was still using handwriting techniques using candles or *Malam* on *mori* cloth using *canting* media. They are familiar with *gagrak* batik or *Surakarta* style. At first Laweyan residents made batik still by writing (using hands only, and the motifs were still imitating the motif of the palace, in the form of *Ceplok*, *Limar*, *Semen*, *Parang*, *Lunglungan*)

motifs, also the way of coloring it still using Javanese *soga* (coloring from ingredients plants) which automatically takes a long time (Haryono, Bejo, 2004). Making batik, some of the tools used in it are various batik canting, night / batik candles, oil stoves, wok, gawangan and others. While the material used can use Mori cloth or silk cloth. The order of the process of making batik is as follows: 1. Painting-Drawing Batik Patterns The process of writing batik begins Nyoret, which is to draw patterns of batik motifs on Mori cloth using a pencil. 2. Nglowongi - Painting a Batik Pattern Using Night / Candle After the mori cloth is drawn a pattern of motifs batik using a pencil, the next process the fabric is painted using the night clap with the canting tool. Night / candle the heated one is inscribed on the cloth by following the pattern that has been made. 3. The Process of Coloring Batik Fabrics Batik cloth that has been drawn use the night, the next process is coloring the batik cloth. As for dyeing techniques can be dyed (technique *soga*) or using a *colet* technique. 3. 4. The Process of Declining Batik Night After the coloring process has been done and has been given a color amplifier, process. Next is the sag of batik cloth. Process. This sag serves to release the night / batik wax attached to the fabric. As for the way to sag is to cook water until boiling then the cloth is inserted in the water (Sukirno, 2016).

### **Management**

In competitive competition between economic actors, corporate excellence can be built from internal resources owned by the company. With the very rapid changes in the external scope of the

company, the analysis of the company's internal factors is increasingly important to do. The company's resources both physical resources, financial resources and human resources have an important role in producing goods and services. The better the company's resources, the more the competitiveness of the production results will be able to improve the company's business performance both financially and organizationally.

Purwadianti (2015) arguing that the development of SMEs is influenced by factors originating from small companies / industries and from outside the business units. Internal factors include (1) managerial abilities; (2) Experience from the owner or manager; (3) Ability to access output and input markets, production technologies and capital sources; and (4) The amount of capital owned. While external factors include (1) Support in the form of technical and financial assistance from the government / private sector, (2) Economic conditions reflected in domestic and foreign market demand, and (3) Technological advances in industry. One factor in the development of small industries can be seen from the growth of its business. While business growth can be seen from production growth, sales growth, income growth and profit growth.

The ability to manage a business / management is an integral part of running a business. The ability to set goals and business orientation will determine future business development (Sumantri et al, 2013). Sumantri et al. (2013) found that education, training, age, ethnic origin, and family background were related to business income; while



business experience relates to sales volume; and education, training, age, and business experience related to the expansion of the marketing area.

Management is a process to plan, organize, direct, and supervise the activities of members of the organization and the use of other organizational resources in order to achieve the stated organizational goals (Handoko, 2010). From its character, management has three characters, management is a continuous process of activities, concentrates on achieving organizational goals, and achieving the result through the work of several people by utilizing the resources owned by an organization. Management has several main pillars: production management, marketing management, financial management, and Human Resource management. In management, there are five tools known as 5M: Man, Money, Machine, Method, and Market (Umam, 2012: 13). Since the beginning of the century, many studies have been carried out on managerial behaviour. Early studies differ in scope from more recent studies in that a shift in research tradition has taken place. Traditional management theories describe managers in terms of classical management functions; this approach refers to "what managers should do". The more modern, observational studies show a different picture of managerial behaviour; this approach gives a description of what managers actually do. The former classical descriptions are general and vague; the latter empirical descriptions are more clear, detailed and realistic. Moreover, the descriptions have developed from being merely task or people-oriented to more specific types

of behaviour to understand leadership effectiveness (Yukl, 1994).

## **Result and Discussion**

The result of this research shows that batik has long been developing to date in the Laweyan area of Surakarta. Various works which are the series of primary work on batik production, such as drawing design/ pattern, drawing, applying wax using canting, coloring, lorod (melting wax from the fabric), packing, and marketing has long become the livelihood for batik community in Laweyan Surakarta. Besides these primary works, there are various other secondary works that support batik production, for example, producing canting, pan, stove, tub for lorod, and various other tools, as well as the industry of raw materials such as fabric/textile, synthetic or natural colors, and wax or malam. On one hand, the variety of works in batik industry has caused a lot of labor to be absorbed by the batik industry. But on the other hand, even though the business in the batik industry is still developing, there are several SMEs or business owners who experience bad luck. Thus, we may conclude that the condition and development of each SMEs or business in Laweyan are varying. Following is the description of the existing condition of batik SMEs in Laweyan Surakarta, which includes Surakarta city government, the contribution from private companies, facilities from the banking industry, and contribution from Non-Governmental Organization (NGO). In order to support the development of batik industry, Surakarta city government has formulated related policies through micro, small and medium enterprises

(MSMEs) strengthening programs as well as small and medium industry (SMIs). The policy is translated into related programs such as creating a conducive climate for SMEs, and several activities such as providing capital assistance for cooperative and SMEs, providing equipment assistance to MSMEs, facilitating the development of MSMEs, as well as fostering and developing cooperatives. Besides, there are also SMI improvement program, industrial technology improvement, and potential industry center improvement. These programs are translated into several activities including fostering SMI, providing equipment for SMI, providing facility and capital assistance to SMI, as well as developing potential and local industrial centers. Besides these activities, there are some other things that are also a contributing factor in the development of Laweyan Surakarta batik industry, for example, assistance with production equipment, training, comparative study, internship, providing showroom, and exhibition.

To increase batik production, both in the quantity and quality, the city government of Surakarta through the Department of Industry, Cooperatives, and SMEs have provided equipment assistance in the form of a feeder machine. The function of the machine is to reduce the risk of uneven coloring and to improve efficiency both economically and in term of the labor force. By using the feeder machine, the result of the coloring process will be perfect. This machine is powered by a dynamo and operated by three people. To operate this machine is by tie up the ends of each cloth with a rope, then an operator

stands in the opposite direction. The other operator on the inside side of the machine has to make sure that the batik cloth that will be colored goes straight into the machine, then passes through the dye bath, before exiting. While the operator on the outer side of the machine has to pull on the tied rope so that the fabric that has been stained is not stuck inside the machine. Coloring using this machine uses rhemasol coloring agent which has been mixed with a water glass lock so that coloring with this system does not need to do separate locking. Besides providing feeder machine, batik SMEs in Surakarta also get other production tool support, for example, canting for batik tulis, stamp tool for batik cap, printing tools such as screen and print table for batik cetak (printing). In the effort to develop batik industry in Laweyan, the local government through Department of Industry, Cooperatives, and SMEs provide support in technical aspects through training, which aims to improve batik quality as well as the expansion of marketing network. The training to improve product qualities including training on natural color and training on the diversification of synthetic colors using naphthol, rhemasol, and indigosol. The government of Surakarta, Department of Industry, Cooperatives, and SMEs, and the Department of Tourism and Culture have tried to provide facilities to conduct the comparative study to various other batiks SMEs outside Surakarta. This aims to enable batik SMEs in Surakarta to learn more from the experience and knowledge possessed by other SMEs in producing batik. With the sufficient experiences and knowledge, batik SMEs di Surakarta is expected to produce a higher quality

product of batik. The facilities provided by Surakarta city government to develop batik potential also includes internship activities. The internship is aimed to provide the opportunity for artisans to gain knowledge and experiences, as well as to improve their skill by working in other batiks SME, including those related to discipline, health, and work safety. Besides, the internship also aims to enrich artisans with the batik production process, especially the activities performed by batik SMEs to create high-quality products. In general, an internship takes a longer period than comparative study. The duration of the internship depends on the type of knowledge and skills that the participant wants to achieve. So it is important to have networking / links with relevant stakeholders. In line with research conducted by Chittor and Das (2007).

To expand the marketing coverage of batik Laweyan, the government of Surakarta provides assistance for batik SMEs in Laweyan area to participate in the exhibition. Exhibition basically is an effort to increase sales turnover of their products because the exhibition is an effective means of promotion to introduce a product to the market. Besides to increase sales turnover, the exhibition has many other benefits. First, through the exhibition, SMEs can gather information from their competitor for example price, new design, materials used, and equipment used. Second, through the exhibition, SMEs can measure their achievement through sales during the exhibition. This shows whether visitors/buyers like their product or not. The success in short-term sales (during exhibition)

can be an indicator or initial evaluation for the success of long-term sales. The exhibition can be used as a reflection for SMEs products and sales can be used as an evaluation for future sales. Third, the exhibition has a function to introduce a new product. In order to get an effective result, the owner of SMEs or the booth-keeper has to take a proactive role by providing active responses to visitors in order to offer their products. Fourth, the exhibition has a function to provide correction for the product that has been made, to evaluate the shortcomings, so that in the future it will become the basis for producing product innovations that suit consumers' tastes. Fifth, the exhibition has a function to build and strengthen SMEs image so that it will be known as a producer of high-quality batik. Sixth, the exhibition has a function to collect various information on a competitor, including the information regarding price, tools/machinery, the latest products or batik products, the latest outlets/branches/agents, superior products, and so on. Seventh, the exhibition has a function to test Human Resources and teamwork strength in marketing, marketing, quality control, and packaging. Eighth, the exhibition can act as direct sales medium because it is the only advertising media that stimulate all sensors; eyes, ears, nose, and skin, therefore, it provides more realistic material for the buyer to make the purchase decision.

There are also support in the form of banking facility through capital loan assistance and contribution from NGOs. In order to develop batik business, batik SMEs in Surakarta get access to soft loan from the banking industry. Another



assistance to build wastewater treatment plant (Instalasi Pengolahan Air Limbah-IPAL) is provided by GTZ, an NGO from Germany. IPAL has vital to reduce land and water pollution caused by batik production. High batik production volume will have a negative effect on the environment without good waste management. The role of the private party in supporting the development of batik SMEs in Surakarta is important. One of the systems that can support the development is the foster system in which large company takes a role as the parent company for small businesses (SMEs). The parent company is a company that has a function to coaching, while small companies act as the trainee. The benefit of this system is to improve the quality of SMEs. To this day, large batik companies in Surakarta such as Batik Danar Hadi and Batik Keris act as the parent companies for artisans or batik SMEs in Laweyan even though this system is not implemented officially. The parent company that based on the business link has an important role because it is a form of cooperation between large or medium industry with small industry. Parent company system might provide a bridge for small industries to utilize economic facilities such as procurement, technology, and marketing. This effort will sustain the small industry which slowly will evolve into a stronger business and actively participate in economic development, especially in the development of batik. In such system, the parent company provides coaching and assistance to the small industry for improving their quality, both financially through business credit, and non-financially through providing raw materials,

credit guarantor for small industries, providing hardware and software, for example providing training to improve quality and skills, as well as providing marketing assistance. This condition is in line with Todaro (1982). One of the inhibiting factors for the development of batik industry is the fluctuation in rupiah exchange toward US Dollar. This factor is very influential toward raw materials prices, such as textile and synthetic coloring, which mostly are imported. In this matter, batik SMEs has weak bargaining power and often just accept the existing condition.

Another constraint in the development of batik industry in Surakarta is unhealthy price competition among batik SMEs. In order to sell their product quickly, several SMEs sell their products at a very low price. This strategy makes them gain a very low profit which does not compensate for the cost of human resources, time, and other production costs. Until today, there is no standard price for batik products that can serve as the benchmark to avoid unhealthy price competition among SMEs. This is why, currently each batik SME makes their own pricing or their own product pricing system, which leads to the large price difference. One SME sells a product with a high price, while others sell the same product at a very low price.

The other problem is non-optimal role played by existing batik association. Several batik SMEs in Laweyan has established an association that is expected to the increase the efficiency of batik business, both in production and marketing area. However, this association has not functioned optimally. Another problem that exists is the limited

number of experts. Even though there is an abundant workforce in Laweyan, it is hard for business owners to find workers with expertise, especially in batik. As the example, the number of people who can create creative batik motif is limited. This leads to the limited uniqueness in the motif of batik offered by SMEs because they use service from the same person or expert to draw the motif. Similarly, in the batik tulis production, the number of people who can draw batik using canting is decreasing from day to day. Besides the limit in the number of experts, SMEs also experience limited business capital. Batik production requires multiple capitals because the products do not get sold directly, in other word, producers have to wait until there is a buyer who is interested in the product. This causes batik SMEs to have a reserve capital to produce a stock of products so that consumers have various choices. Besides that, there is another constraint, acquiring raw materials, especially silk. Lately, when the foreign exchange of rupiah is falling, there are many SMEs that experience difficulties to acquire raw materials especially silk. This makes batik production on silk becomes hampered because silk is hard to get and even if they can get it, the price becomes too high. The similar case takes place for synthetic coloring. The price will increase and force producers (SMI) to adjust the price, or in other words, the batik price will increase. Besides the price, there is another problem with synthetic coloring. The quality of synthetic coloring sold in the market is unstable. In order to create high-quality batik, SMEs are required to use high-quality materials. However, lately, there is a lot of synthetic coloring that has low

quality. Thus, the batik produced using this material also has lower quality. Another constraint is the weather. Unpredictable weather will affect the quality of a batik. From the institutional point of view, there is the constraint of non-optimal batik cooperative in Laweyan. Batik SMEs in Laweyan has established batik cooperative under the name Koperasi Batik Lumbung Batik. Even though it has long been established, currently the cooperative doesn't have the optimal function. This is in line with the results of research conducted by Dewanti (2010). Another thing that poses constraint for batik business is the lack of training intensity in an effort to improve batik quality. There are many pieces of training conducted for improving Laweyan batik quality, both from Surakarta local government and from private parties and universities. However, these pieces of training are not intensive or most of the time only incidental training. The training that has been given to the SMEs are training to make batik using various technique and coloring training, both using natural and synthetic colors. The city government of Surakarta has formulated policies regarding the development of batik industry through SMEs, MSMEs, and SMIs strengthening the program. Batik industry is one of the industries/small and medium industry which is mostly found in Laweyan area. This condition is in line with the results of a study conducted by Wijaya, (2006).

### **Production Management**

Production management is an activity to manage and coordinate the use of various resources, including human resources, equipment, funding, and

materials to create added-value of a product to increase productivity. Batik SMEs in Laweyan generally have not implemented modern management practice. The management model implemented is traditional family-based management. In production management, there are three things that have been managed: product diversification, production mechanism, and quality control. However, all of the processes are performed by Laweyan batik SMEs traditionally. One area that must be considered in production management in product diversification. Diversification of batik products is one of the things that should be done by UKM batik so that the resulting batik production has diversity even though it still maintains uniqueness and quality. This is important to be done so that consumers have the freedom to choose what product to buy. Batik SMEs in Laweyan diversify their products using the manual method, by drawing the motif manually. In Laweyan there is artisan that who are experts in making batik motifs. There are a number of SMEs that use this artisan's service but with the different version so that each SME has their own uniqueness in term of the motif. Usually, when SMEs order the motif, they already stated what kind of motif they wanted. The other important thing is the production mechanism. Batik SMEs in Laweyan produce all of their products by themselves. There are various production mechanisms. Several products are made in the main production site, in the SMEs owner, while some are produced in artisan's house. If they get the high number of orders, the SME will cooperate with other SME under an agreed-on system. Quality control

is also an important part of production management. Some of batik SMEs in Laweyan have performed quality checking on their products. However, the quality checking is still performed traditionally. Several SMEs performed it by themselves, but they also rely on the merchants and consumers or their direct buyer. If there are no returned products from the merchants then they conclude that their products have fulfilled market demand (buyer).

### **Marketing Management**

To this day, most of batik SMEs in Laweyan do not refer to theory or knowledge on marketing management. The focus of marketing management is on company supply in fulfilling the need and want of the market, as well as pricing, communication, and effective and efficient distribution to inform, encourage, and serve the market. In marketing their batik product, most of batik SMEs in Laweyan only depend on traditional management, such as entrust their products to the broker who becomes their outlet. This broker is they who have shop or kiosk in Pasar Klewer, Pusat Grosir Solo (PGS), Beteng Trade Center (BTC), and other batik centers. The important thing that must be considered in marketing management is the target market. Most of batik SMEs in Laweyan have not determined clearly their target market. Because they have no clear target market, thus, it seems like batik SMEs in Laweyan compete in the same market segment, the general market segment. Besides the target market, the SMEs also need to pay attention to the marketing area. To date, the marketing areas for Laweyan batik are Surakarta, Malang, Surabaya, and several regions

outside Java such as Bali, Sumatera, Kalimantan, Sulawesi, and Papua. To market the products, the SMEs implement competitive price and provide a quality product. To promote their products, most of batik SMEs in Laweyan have not performed it independently. They perform promotion with the assistance from several institutions, including government and universities. The government of Surakarta provides assistance for promotion through exhibition and the establishment of the showroom in Surakarta. University provides promotional assistance through the management of electronic media such as the website that leads to online marketing.

### **Human Resource Management**

The success of batik SMEs in Laweyan is determined, among others, by the success in human resource management. Human resource management is a way to regulate the relationship and the role of resources (labor) owned by individuals and companies (SMEs) efficiently and effectively so that they can be used optimally to achieve the company's shared goals. Human resource management includes all decisions and implementation of management that affects employees directly. Several things that have to be considered in human resource management are productivity, turnover rates, and employee incentives. Improving productivity is one of the important matters that have to be considered. Productivity is the comparison or ratio between the result of an activity as an output or output with the cost to realize it (input). Input consists of production costs and equipment costs. The output consists

of sales, earnings, market share, and defects. Productivity has an important role in increasing profitability and strengthens company competitiveness. Employee productivity in batik SMEs Laweyan is considered as good. To this day, SMEs and batik artisans in Laweyan is known as highly productive. Laweyan batik SMEs in UKM batik Laweyan has been able to supply clothing mainly to fulfill demand from big brand names such as Danar Hadi and Batik Keris. Employees turnover also need to be considered. Batik Tulis SMEs highly depends on employees. Employees are one of the important factors that determine the success of a company (SMEs). Therefore, the company is required to retain their employees well so that they don't have a high turnover rate. Several factors that affect turnover, among others, are the external factor (labor market), internal factors (conditions of workspace, wages, work skills, and supervision) employee's personal characteristics (intelligence, attitude, past, gender, interests, age, length of work and individual reactions to work). Employee turnover in Laweyan batik SMEs is relatively low. This due to human resource management applied in the SMEs is family-based traditional management so that there is dominant human touch which makes the interaction among individual (owner and employee) is stronger and in turn, there is reluctant feeling.

### **Conclusion**

The result of the study shows that Laweyan batik has a potential that can be developed as a local superior product. The existence of the batik industry has contributed to the strengthening

of local economies. On the one hand, there are several factors that support the acceleration of batik industry in Laweyan, for example, banking facility in the form of the capital loan, NGO contribution, and private sector contribution through parent company system. On the other hand, there are several inhibiting factors, for example unstable exchange of rupiah to US dollar, unhealthy price competition among batik SMEs, non-optimal role of batik association, limited number of experts, limited capital, difficulties in acquiring raw materials, especially silk, unstable quality of synthetic colors, non-optimal role of batik cooperative, and lack of intensity in the training to improve batik product quality. In term of management, batik SMEs in Laweyan still implement conventional management in production management (including product diversification, production mechanism, quality control), marketing management (including target market, marketing

areas, promotional media), and human resource management (including productivity improvement and employee turnover rate).

### Notes on Contributors

**Edi Kurniadi** is a Senior Lecture in fine Art Education Department at the Faculty of Teacher Training and Education, University of Sebelas Maret Surakarta, Indonesia. His research interests are in The Art of Batik Surakarta Craftmanship in Social and Economic Dynamic.

**Asri Laksmi Riani** is a Professor in Management Departmen at the faculty of Economics and Business, University of Sebelas Maret Surakarta, Indonesia.

**Sarwono**, is a Senior Lecture in Textile Craft Department at the faculty of Visual Art and Design, University of Sebelas Maret Surakarta, Indonesia. His Research intersests are in Batik Wonogiren.

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