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Entrepreneurial artisan products from dynamic competitive perspective (An examination on the case of batik tulis gentongan Madura)

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Abstract

Indonesia's batik industry reached 47,755, a large number to be able to survive in the competition. One of the key contributions of dynamic competition requires a broad view to examine how organizations compare resources with the same industry. Dynamic competition has limited its focus to specific and measurable elements of competition such as action and response, speed and magnitude of reaction, and interaction among several direct competitors, one of which is the Indonesian batik industry. Batik has a comparative advantage in the economic field, so it is expected to be able to improve the welfare of the community. One of them is Madura Gentongan batik which has high economic value.

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Introduction

Micro, Small and Medium Enterprises (MSMEs) play an important role in the Indonesian economy. MSMEs have always been described as a sector that has an important role, because most of the population has low education and lives in small business activities in both the traditional and modern sectors. One of the supporters of Small and Medium Enterprises (SMEs) According to the Governor of Bank Indonesia quoted from the website www.kabarbisnis.com that these SMEs contribute up to 99% to the development of the Indonesian economy which last year reached 6.2% and the remaining 1% in the form of large businesses. SMEs are one of the sectors that are able to survive in a depressed global economic situation (Kumalasari et al, 2013). The high flexibility of MSMEs and their ability to adapt to all economic conditions are the fundamental reasons why the MSME sector needs to be considered for empowerment. MSMEs became the foundation for 99.45% of the workforce in Indonesia during the 2005-2008 period, MSMEs were able to create new jobs for 9.6 million people, while large businesses were only able to create new jobs for 55,760 people.

In addition, the contribution of MSMEs to national non-oil and gas exports amounted to 19.9% and partly came from Batik MSMEs (Evi, NP, 2012).

In particular, batik is one of the cultural characteristics of the Indonesian people that has been recognized by UNESCO and designated as the Masterpieces of the Oral and Intangible Heritage of Humanity since October 2, 2009. Batik has a comparative advantage in the economic field, so it is expected to be able to improve the welfare of the community (Prasetyo 2010). Based on data from the Ministry of Industry in 2018, the number of Batik SMEs reached 47,755 throughout Indonesia and one of them is Madurese Batik which is known as Gentongan batik (Madura premium written batik). The current sources of competitive advantage are innovation and creativity (Safrizal, 2023). Employee performance is a stage of achievement as an employee's work achievement (Safrizal et al. 2020). Human resources are by far the most important asset for an organization (Safrizal et al. 2020). The era of globalization is always marked by rapid changes in overall economic conditions which cause a number of demands to emerge in response to the changes that occur (Safrizal et al. 2020). Focus on technologies that enable MCS to be implemented in smart cities, such as task management, data collection, incentive systems, monitoring, and cost-saving tools (Wildan et al., 2023). High Quality of Service and client-based communication with AI-enabled services is determined by Quality of Experience (QoE), (Padmapriya et al., 2023). Human Activity Recognition has been researched for the past few years (Victoria, et al., 2022). Previous research found that CSR can increase company value (tarjo et al., 2022). International trade is one of the efforts to increase economic growth and development (Priyadi et al., 2022). As a financial institution that has an intermediary function, the role of banks is very important in the economic activities of a country, where banks become institutions that distribute funds and as a place for financial transactions, this makes banks unchanged like the pulse in the human body which is very much needed to support the smooth running of a country's economy (Ryandono et al., 2022). As with other coastal batik (Cirebon, Lasem), the batik industry reaching 47,755 is a large number to be able to survive in competition. Understanding how businesses use strategic competitiveness to succeed has been at the core of strategic management research for decades (Hitt et al. 2004). This is the background of how the Madura Batik Gentogan strategy so that it remains in demand by consumers.

Entrepreneurial artisan product

Previous studies on small firms and their contribution to regional development have seen how shortcomings remain in terms of learning skills (Tregear, 2005). Entrepreneurship encapsulates the manufacture of goods and services by people that are then sold to others. In general, the majority of artisan entrepreneurs focus on the clothing and foodstuff industries as they prefer to produce their own products as it is tied to their cultural heritage (Tregear, 2005; Rahman and Ramli, 2014).

According to Ndegwa et al. (2015), different folk entrepreneurship projects have prepared many artisans in the acquisition of entrepreneurial competencies as well as providing technical skills and capacities, especially within the scope of developing countries mainly focusing on the use of new technologies. Various studies have approached themes such as artisan products. Artisan products have direct and indirect links between regional branding and artisan activities (Abreu et al., 2018; Benur and Bramwell, 2015; Kies, 2013; Llonch, 2012; Mokyr, 2013; Norcliffe and Rendace, 2003; Pansiri, 2014; Ratten and Ferreira, 2017; Stewart et al., 2008; Thompson, 2014).

According to Costa and Buhalis (2006), there is a need for a new conceptual approach to tourism or local products that combines the introduction of new products with emerging and industry solutions such as: product re-engineering, emerging destinations based on fashion and accessibility, products based on experiences, products based on nature, eco and adventure tourism, sports and event tourism, urbanization and residential tourism, new age travel/tourism: spiritual experiences, shopping and tourism, gastronomy, food and wine; thanatourism and dark tourism (including spiritual and pilgrimage tourism).

Previous research has shown how cultural heritage is increasingly important at different and different economic levels (Alberti and Giusti, 2012; Florida, 2002; Hesmondhalgh, 2002; Scott, 2002) and that regions can develop competitiveness through taking advantage of their cultural heritage and artisan products (Alberti and Giusti, 2012; Bandarin et al., 2011; Boix et al., 2012; Cooke and Lazzeretti, 2008; Pereira and Von, 2011).

One of the artisanal products is Batik, in the book "Batiks and Beyond", Laurie J Shifrin (2003) wrote that batik is not just a fabric (fabrics) but a work of art with special treatment, starting from how to choose the raw materials to the treatment. McCabe (1917); Krevitsky (1964); Stephenson (1993); Kitley (1992); Hanley (2002) write about the recognition of originality, ornamentation, art in a batik work and the future of this work. In East Java, Madura Island, besides being known as the salt island, has a wealth of cultural sites in the form of batik. Batik products produced from Madura have distinctiveness ranging from motifs, striking colors and the batik production process (Rahmawati, 2016).

The uniqueness of Madura batik is its manufacturing process. Batik Gentongan is one of the most famous batik traditions in Madura. The term gentongan is due to the coloring process that is first soaked in a barrel-like container. Batik Gentongan is quite widely known for its color strength that can last for decades with the assumption that the more it is used, the more the color comes out as long as it does not touch the detergent (Hasanah, 2014). Therefore, the price of batik gentongan is different from ordinary hand-dyed batik.

Dynamic Competitive Perspective

The failure of companies in running a business is due to managers' misunderstanding of their business objectives narrowly, which has implications for the decline in company performance (Levit, 1990). Sooner or later, companies must learn to adapt to the environment this is in accordance with the theory of dynamic capabilities that organizations must respond to change and learn appropriately so that the organization is able to adapt to the environment (Wren and Bedein, 2009). Organizational management can make a difference in performance and especially in the ability of general managers to implement incentives, policies, and actions that need to be achieved through learning (Langlols and Foss in Wren, 2009) and learning capabilities with various climate changes, developments, and applications, and are expected to use adequate performance measurement criteria and management frameworks and consequently contribute positively to organizational success (Prieto, 2006). Positive contributions are obtained from various processes or activities that provide added value to the company such as the production process, logistics process and marketing process and all these activities must lead to company goals (Valaei, 2017) and employees with high levels of knowledge are able to evaluate knowledge more efficiently and apply knowledge that can contribute to the development of organizational knowledge (Nieves and Diaz-Meneses, 2014).

The competitive dynamics literature examines the jockeying for position and its implications for organizational outcomes. A series of moves and counter-moves among competitors can create destructive patterns that sabotage gains in competition and even threaten the survival of some other firms and competitive interactions can also protect and enhance firm success (Ketchen, et. al, 2004). To achieve theoretical currency, competitive dynamics has limited its focus to specific and measurable elements of competition such as actions and responses, the speed and magnitude of reactions, and interactions among multiple direct competitors. Analysis has tended to be within a single industry, using a U.S.-centric sample (Smith et al., 2001). Research has also been limited in characterizing the nature and timing of competition, the embeddedness of actors and the consequences of their interactions (Chen and Miller, 2012).

Several topics in the field of management have posed intellectual challenges to competitive dynamics. Among these are stakeholder theory (Freeman et al., 2010), game theory (Brandenburger and Nalebuff, 1996), and cooperation research (Dyer and Singh, 1998), each of which takes a different view of competition and rivalry. In taking a normative view, stakeholder research considers a broader set of markets including competitors, firm interactions, and debates on the instruments of interaction for sustainable performance (Donaldson and Preston, 1995).

Other studies have considered cooperation among direct competitors (Gimeno, 2004) and shown how cooperative networks shape competitive actions (Gnyawali and Madhavan, 2001), in addition, they have pioneered forms of interaction such as co-opetition (Brandenburger and Nalebuff, 1996), relational strategies (Dyer and Singh, 1998), and competitive cooperation (Chen, 2008).

Integrative competitor analysis, one of the key contributions of competitive dynamics, takes a broad view to examine how firms compare resources with the market (Chen, 1996). Because the emphasis is on the relationship between two firms (Ring and Van de Ven, 1994), this approach has been applied to various types of partners (e.g., in joint ventures and mergers and acquisitions) both within (Haleblian et al., 2012) and outside the industry, to customers (Peteraf and Bergen, 2003), and to non-competitors and NGOs (Markman et al., 2009). Such a broad notion of competitors gives rise to other opponent or centric perspectives (Tsai, Su, and Chen, 2011) and cooperation-competition interdependence. Each of these largely independent contributions has provided new insights to the field. At the same time, they demonstrate the field's fragmented nature and indicate the need to take into account developments that are more synthetic and integrated modes.

This orientation suggests the dynamics of competition are largely about (1) gaining an advantage over (2) competitors, which are (3) rival firms; (4) that victory can be achieved by taking a limited range of actions, and (5) measured in market share or profit; and (6) that rewards are primarily pursued for the short-term profit of the firm's owners, (7) who are the key players and the main focus of analysis (Smith et al., 2001). Referring to the dynamic competitive prototypes of Chen and Miller 2014, there are three prototypes:

Table 1 : Prototypes

Dimension	Rivalrous	Competitive-cooperative	Realational
Aim	Appropriation	Competitive advantage	Raise all boats
Mode	Attack, retaliate, avoid attack	Cooperate or co-opt	Compete and cooperate simultaneously in the same act, dependen ton rivval reactions
Actors	Competitor	Also alliance partners	Inclusive set of stakeholder, e.g., clients, public, suppliers, goverment
Toolkit	Largely economic, generally within industry and technological boundaries	Political as well as economic, sometimes spanning insudtry boundaries	Also social and ideological, allowing for significant redefinitions of industry and technological boundaries
Time horizon	Short term	Intermediate	Short term to build for long term, and vice versa

Competitive pressures and a volatile business environment characterize many industries in the global economy. Companies need to keep pace with these dynamics by reconfiguring structures and processes to facilitate innovation. Large companies sometimes dispose of sufficient resources to navigate through the global economy. In contrast, small firms often have limited resources and in many cases, they cannot optimize a portfolio of multiple business areas, as larger firms can, as they only operate in one domain (Filippi, et al., 2012).

In addition, batik has undergone major changes and become an important part of the creative industry, creating tens of thousands of additional jobs (Wronska-Friend, 2016). The batik industry reaching 47,755 is a large number to be able to survive in the competition. Understanding how businesses use strategic competitiveness to succeed has been at the core of strategic management research for decades (Hitt et al. 2004). As highlighted by a number of organizational theorists, organizations must be able to balance short- and long-term performance issues (Levinthal & March, 1993; Sutcliffe, Sitkin & Browning, 2000). The batik industry is growing rapidly, but many have also failed due to the complexity of the environment, not only competition among fellow batik activists but there is an invasion of technology that makes textiles with batik motifs.

The batik industry is required to continue to innovate and prioritize market orientation but not ignore cultural identity as one of the indicators of organizational performance. For individuals (artisans), through this practice, artisan entrepreneurship can evaluate and motivate other artisans to promote products (Hasanah et al., 2023). A number of artisan entrepreneurs in Teotitlan del Valle, Oaxaca, provide examples of artisans who have developed tourism and export markets for handmade textiles. Furthermore, artisans must learn to understand the needs of the market so as to be able to create products that are in demand (Popelka & Littrell, 1991), which will ultimately have a positive impact on the quality of life of each artisan (Carter, 2011).

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