

A Meaningful Change in Small and Medium Scale Enterprise:

Human Entrepreneurship approach

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ABSTRACT

The new industry era of 4.0, bring the great change in working life. Human is changed by machine, worker role has been cutted. The efficient and productive purposes become the main reason. These situation in the long run can produce negative behavior of worker, who seldom communicating with other worker, working like machine. The high turnover is another negative impact that company can face.

This paper is try to construct the compatibility of ten factor of Human Entrepreneurship (HE) with A Meaningful Change model. New approach to create the happiness of worker. The main role of leader to create positive working climate and enabling inside-outside empowerment, self-efficacy, and well planned change. The happy worker will do experimentation, and show excellence, bring A Meaningful HE Change in the enterprise. The merger of two model propose a new insight for further research. Validation of each variable and relationship is needed through factor analysis and regression analysis. Any critics and insight

Key words: Human Entrepreneurship, entrepreneurship, SME, Change Model, Self efficacy, Competency, Leadership, Empowerment

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Introduction

Happiness in the end is more important than the simple fulfillment of physical needs. (Ayman El Tarabishy, 2019).

The new era of industry 4.0, enforce company to pay more attention in human dignity than profit. The 4.0 industry era, where human become both the commander and also the operator of the technology, frequently forget to appreciate the worker, and finally less concern to the happiness of the worker or employee. The working life change greatly, human being is changed by machine, worker role has been cut-off. The efficient and productive purposes become the main reason. These situations in the long run can

produce negative behavior of worker, who seldom communicating with other worker. The high turnover is another negative impact that company can face.

World Economic Forum (WEF, 2019) propose Six dimensions of leadership and six behavior that should be exercised in the Fourth Industrial Revolution. This new dimensions focussed on humanity in leadership.

Ki Chan Kim (2015) developed Human Entrepreneurship (HE) as the answer of this new challenge in 4.0 era. HE combine the human cycle and entrepreneur cycle as a new way in leading the SME in the 4.0 industry era. Great entrepreneurs with strong humane mindsets fuel the concept of Humane Entrepreneurship. Human oriented businesses are deemed to perform better, come up with better products and services, and ultimately, satisfy their customers. Using HE in the company it's means taking into consideration the happiness of the worker as the key success factor of the company. the happy workers will bring happiness to their customer both inside and outside.

Banowati (2012) propose a model that describe factors have to be prepared and created by leader in the SMEs enterprise to create a meaningful change. Her research stresses on behavioral aspect, focused on enterprise working climate. So, in this paper, I try to merge Human Entrepreneurship and A Meaningful Change Model, as a contribution to academic research on behavior science, and give more attention toward societal relevance but grounded in solid academic rigor.

Theoretical background

Human entrepreneurship is a new concept that combine human and entrepreneurship aspect in managing enterprise. Meanwhile, in the dynamic environment right now, the constant is change. This bring consequences to entrepreneur to have knowledge, skill, and behavior to be ready in every situation. Very few academic papers explore the interaction between theories of Entrepreneurship, Human Resource Management (HRM), and Leadership. Furthermore, no studies have tried to collectively connect these three

domains to address global issues, including wealth generation and quality job creation (Ki-Chan Kim, Ayman ElTarabishy, and Zong-Tae Bae, 2018).

Study of Banwo and Jiangguo Du (2019) found that the strength of social norms among the SME employees suggests that social norms take a crucial role in influencing worker behavior. Study of Linton (2019) suggest that entrepreneurship orientation, consist of innovation, risk taking, and proactive, in process and outcome attributes. This finding bring the new insight in studying entrepreneur behavior.

Study of Okangi (2019), show that both innovativeness and risk taking dimensions have a significantly positive effect on the growth of profitability for local Tanzania's construction firms, whereas the proactiveness dimension has a negative significant effect. It is therefore, in such situations owner-managers of the firms can really benefit by creating an environment that favor a firm to be proactive, innovative, and able to take risks in pursuing emerging opportunities in the market that that differentiate and give an advantage edge to their firm from competitors (rivals). The current research indicates that the entrepreneurs who conform to benevolent leadership role perspective prefer cooperative style of conflict resolution. (Karadakal, Goud, and Thomas, 28015).

HE Model

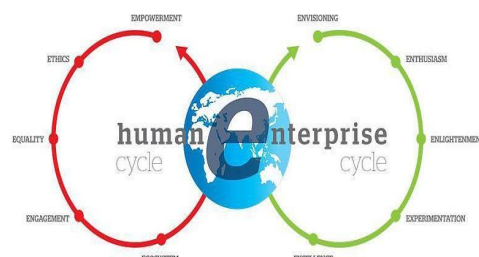


Figure 1. Ki Chan Kim (2015)

Human Entrepreneurship define as a “virtuous and sustainable integration of Entrepreneurship, Leadership, and HRM, in which successful implementation leads to a beneficial increase in wealth and quality job creation, perpetuated in a continuous cycle.” (Kim, et al, 2018)

In 2016 research on H.E in Indonesia found that people in the organization need to be appreciated. Not only in output/result performance, but also in their soft performance, such as ideas, morale, commitment, and motivation. In short these all about the dignity of human resource as a human.

A Meaningful Change Model

The study of Banowati (2012) showed that the leader in small and medium scale enterprise has an importance role in leading the change. The initiatives, the strategy, and the execution of planned change, should be started by the leader. This evidence can be explained by the Indonesian culture that placed the leader as a pattern model recognized as a paternalistic model of leadership. A meaningful change is built by the effectiveness of leader performance, quality of planning, awareness of change from workers, and workers' self-efficacy.

The change model below show the relationship of leader role and worker role, based on behavior approach in creating a meaningful change in the enterprise.

There are two group factors: (1) Leader and (2) Worker

Leader consist of variables: (1) Leader's capability, (2) Leader's Effectiveness, (3) Quality of Planning, and Resource availability. Worker factor consist of variables: (1) Ethical Orientation, (2) Aspirative Orientation, (3) Innovative Learning Spirit, (4) Spirit of Togetherness, (5) Worker's Competency, (6) Awareness to Change, and (7) Self Efficacy.



Figure 2. Meaningful Planned Change model (Banowati, 2012)

Methodology

This is a conceptual model proposed for further research. My opinion here is developed by previous research (Banowati, 2012), and H.E model proposed by Kim (2015). This research refer to desk research, literature review, or secondary analysis.

Secondary analysis is flexible and can be utilized in several ways, it is also an empirical exercise and a systematic method with procedural and evaluative steps, just as in collecting and evaluating primary data. It is important to further define secondary data analysis as a systematic research method (Johnston, Melissa P., 2014).

Below the comparison of HE and A Meaningful Change model.

Table 1. Comparison H.E and A Meaningful Change

Human Entrepreneurship	A Meaningful Change
Human Cycle: <ul style="list-style-type: none">• Empowerment• Ethics• Equality• Engagement• Ecosystem	<ul style="list-style-type: none">• Innovative Learning Spirit• Spirit of Togetherness• Worker Competency• Self-efficacy• Awareness to change
Enterprise Cycle <ul style="list-style-type: none">• Envisioning• Enthusiasm• Exploring• Experimentation• Excellence	<ul style="list-style-type: none">• Leader’s capability• Ethical orientation• Aspirative orientation• Leader’s effectiveness• Quality of Planning• Resource Availability

Discussion

Based on HE Model, there are two cycles, Human Cycle and Enterprise Cycle. Lets go deeper into each cycle, combined with A Meaningful Change Model.

A. Human Cycle

This cycle focus to create happiness of worker in the enterprise. Each elements show the approach and situation which the leader have to create.

1. **Empowerment:** *Enthusiasm with a big dream; Self Efficacy, Awareness to Change, and Innovative Learning Spirit*

Ki Chan worked stressed on the leader role in increasing the capability of workers in the workplace. start from socializing the vision and mission of the enterprise to all the workers. In this variable, also included the working situation of openness and collaboration, transferring works and empowering workers to increase work scope and autonomy.

Change model start with awareness to change and self efficacy together with the good change plan, all together might produce a meaningful planned change. Empowerment initiative should start from the leader who has high future orientation and aspiration. Empowerment will bring success to increase worker competency and performance, only just when the worker also feel confident take the opportunity to get larger work scope and autonomy. While from the worker side, the awareness to change take an important role to drive the worker motivation from inside, to achieve greater opportunity to increase their job scope. So, the leader need to not only give the worker opportunity, but also create the situation where doing mistake is allowed. Positive working climate which drive worker to learn from every aspect in working environment, this may create innovative learning spirit. The key success for empowerment are self efficacy, awareness to change, opportunity to make mistakes (openness in Ki Chan term), and collaboration. In this paper, I propose **Inside-outside Empowerment**

2. **Ethics:** *Ethical leadership*

Entrepreneurs taking great responsibility as a patron for ethically action, accountability and responsibility. Study of Banowati (2012) found that the worker do not care about ethical issues of the enterprise, either in the content of change plan, or the action taken by the leader. In the SMEs the leader become a role model for worker. In the 4.0 era of industry where machine take more role than human, this element become more important than before. To be ethical should be enterprise matter, all member matter, included worker. Relating to

change agenda, leader need to develop a change objective, then develop strategic change and action plan. Ethical issues are everywhere. So, beside take a role model, leader need to let the worker participate in the planning process.

In this part of HE and Change Model, I Propose **Transformational Leadership**

3. Equality: *Ecological thinking*

Working condition produced first by positive mindset of people in the enterprise, that show openness, sharing, and cooperating. The spirit of fairness and equality felt around the enterprise. Not only between leader and member, but also in communicating with people outside enterprise.

This element also support in creating an meaningful change model, equality created by including worker in every step of developing change planning and action. Equality in the enterprises, means respect to each others.

4. Engagement: *Motivational leadership*

Leader's engagement means focus and commit toward vision and mission achievement. Equity and engagement together will influence the learning spirit climate in the enterprise.

5. Ecosystem: *Development and collabo-nomics*

As a final aspect of human cycle, is ecosystem, that leader need to create a healthy business ecosystem, included friendly mind, collaboration and trust among member of the ecosystem, workers, suppliers, customer, etc.

This is the climate which the leader create in driving worker's motivation to perform. Actually this ecosystem is seem likely with working climate, that glue human cycle elements.

B. The Enterprise Cycle

This is part of leader side behavior, if implement well, promise success to achieve vision and mission of the enterprise.

1. Envisioning: *Inspiration and proactive investment*

Entrepreneurs as a leader, looking forward into the future, anticipate future environment changes, capture new opportunities, provide vision, and thereby proactively pursue and push for innovation with initiative.

Meaningful change need a good plan that take into account the future vision, capture new opportunities, proactively pursue and push for innovation. This element also exist in A Meaningful Change model, as an Aspirative Oriented.

2. Enthusiasm: *Perseverant challenge*

Entrepreneurs should keep a challenging spirit, risk taking despite uncertainty, and exploit new opportunities. This is about how leader create a culture, working culture. Enthusiasm can not be seen, but felt. The spirit from inside should be followed by self efficacy. So, other things the leader should do is energizing people in the enterprise.

3. Enlightenment: *Creative thinking*

Entrepreneurs should ceaselessly pursue changes, improvements for processes, development of new technology, thereby creating and producing higher added value. This HE aspect, is likely with a meaningful change model innovative learning spirit by questioning. Questioning might lead to continuously improvement in the enterprise.

4. Experimentation: *Chance seeking for new market*

Entrepreneurs should keep creative thinking for developing new products, through which they could exploit new market, and develop new business. Result from questioning, should be tested through experimentation. The leader should give permission to worker to try new method, enter new market, or develop new product. all might bring innovation climate in the enterprise.

5. Excellence: *Capability building against competition*

Entrepreneurs should pursue and exploit excellence in execution to achieve goals and better performance in terms of cost, quality, technology

development, and operations. This style of entrepreneur supported by transformational Leader, who always seeking future opportunities, develop worker to increase competency level to the highest. allow worker to try new method, new way of doing their job.

Creating a Meaningful HE Change Model

Based on earlier discussion, here I propose my new model for Creating a Meaningful HE Change model research. Special for SMEs research, this model might be meaningful for choosing the right strategy to develop SMEs in the future. The spirit to achieve happiness of worker become foundation of this model. So, I put the Happiness of Worker as a new variable. The meaningful change will be created through the relationship between Worker’s Happiness, Experimentation, excellence, and well planned change. The leader’s role show at the Transformational Leadership style, which built by Envisioning, Ethical Orientation, and Leader’s capability. Working climate through Equity and Engagement that produce Innovative learning spirit. Supported by self efficacy of worker, and awareness to change, all together might create inside-outside Empowerment. This human focused approach promise success to create a meaningful HE change. Below the proposition model.

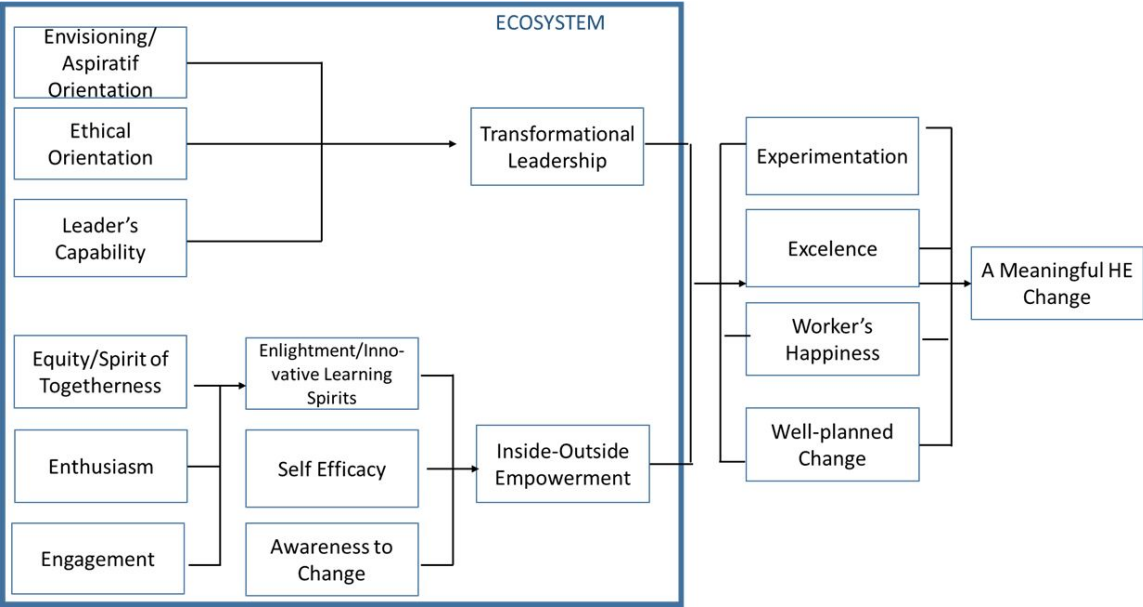


Figure 3. A Meaningful HE Change Model

Conclusion

This paper is try to construct the compatibility of ten factor of H.E with A meaningful change model. New approach to create the happiness of worker. This importance of employee as a human in the organization, and how the leader can create the best strategy to motivate the employee to be the best employee and willingness to contribute to achieve the vision and mission of the business.

The merger of two model propose a new insight for further research. Validation of each variable and relationship needed through factor analysis and regression analysis. Any critics and insight to this model might enrich the beautiful new model.

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