



A study of empowering entrepreneurship for employees in the shipyard industry

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ABSTRACT

This research focuses on how empowerment conditions in the shipbuilding industry can affect employee entrepreneurship. This research is qualitative research conducted on case studies of shipyard companies in Batam, Indonesia. Interestingly, this research was conducted on employees with special skills who were affected by Termination of Employment. So that in this study those who have been laid off but have special skills must be able to have entrepreneurship. The results of this study indicate that there are different perspectives from employees affected by the termination of employment, with the company's perspective. The results show that there are 3 important factors that can increase entrepreneurship, namely creativity and innovation, risk, commitment, and loyalty. Meanwhile, there was 1 new factor found, namely the mindset to be able to increase employee entrepreneurship.

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1. INTRODUCTION

The shipbuilding industry in Batam City had become an economic mainstay. But currently, the shipbuilding industry in Batam city is a serious problem. Pier (2017) states that there are already 31 shipyard companies in Batam that have gone out of business, and there are still many shipyard companies that have begun to decline. If there are more than 31 companies in the shipbuilding industry that close or carry out massive layoffs, then the number of unemployed will be very high in the city of Batam. But what is interesting is that the increase in unemployment is employees who have special skills in the shipbuilding industry. Employees with special skills usually can be included must have senior entrepreneurship. Concerning senior entrepreneurship, an expression in itself is not a consensual proliferation in the literature many mentions refer to older entrepreneurs and are also inconsistent with age ranges (Figueiredo & Paiva, 2018). So that in this case employees with special skills should have a more entrepreneurial spirit than new workers. Based on data from the Batam City Manpower Office, there are already 1,889 workers in the shipbuilding industry who have experienced dismissal or termination of employment (PHK). Research conducted by Ayoade and Agwu (2016), shows that unemployment will occur due to the lack of entrepreneurial skills of the majority of unemployed. They need an important role for all parties, both the government, the community, and teachers to create a program in creating entrepreneurial skills to reduce unemployment. This is what makes the author have the desire to empower PT. BNI in increasing entrepreneurship. Research conducted by Amin and Azodi (2015), in their research aims to empower members of rural cooperatives to increase entrepreneurship.

The research is also closely related to the importance of empowerment to create jobs and entrepreneurship. This research really supports the problems or conditions of shipyards in Batam. Until now, the Batam city government has not had a solution to overcoming problems, especially for workers who have experienced layoffs. But what is interesting in this industry is that the laid-off workers are workers who have specific skills or certifications such as Health, Safety Environment (HSE), Welding Inspector, Drawing, and many other certifications. Workers who have this certification can get a large average salary every month. This is what happens where when companies engaged in the shipbuilding industry do not have orders, there is a termination of employment for expert workers because they have very large salaries. Another fact is also evidenced by the existence of welding experts (welders) in shipyard companies owned by national industries who choose to move to similar companies abroad. This is because the pay abroad is higher, even though as has been explained that Indonesia also provides high salaries for these experts (Ministry of Industry, 2019). The problem with companies in this shipyard is certainly an interesting phenomenon in the efforts of company leaders to empower them so that they can grow entrepreneurship in highly skilled employees. With this empowerment, it will be able to anticipate the recurrence of the problem of termination of employment. Empowerment prepares the situation to expand the development of human resources and their efficiency. Many studies have been conducted on the relationship between organizational capacity and organizational effectiveness has shown. Amin and Azodi (2015), define empowerment as the process of enabling individuals in a community or social system. In other words, empowerment means creating conditions under which people can do their work motivated and successfully. As skilled individuals, employees in the shipbuilding industry should have no problem becoming unemployed or struggling to find income. Where they should be able to focus on thought and behavior to deal with change. According to Bustami, Bernadien, Nurlela, Sandra, Ferry (2007), someone who seeks change, but responds in an innovative way, uses it as an opportunity and makes innovation an important part of entrepreneurship. Entrepreneurship is clearly related to both business and individuals, researchers have faced a dilemma between behavioral and trait approaches in understanding entrepreneurship (Parente, EITarabishy, Visci, & Botti, 2018).

Etymologically, entrepreneurship is essentially an ability to think creatively and behave innovatively which is used as a basis, resource, driving force, goals, tactics, and tips in facing life's challenges (Hadiyati, 2009). Entrepreneurship is related to something new and about continuous innovation and creativity (Kuratko & Morris, 2017). From the explanation above, it can be said that if these employees have a high entrepreneurial spirit, it will be very helpful for them and be able to solve problems in the city of Batam. In 1990 Thomas & Velthouse (Frymier, Shulman, Houser, 1996) defined conceptual empowerment into 4 indicators namely Meaningfulness (taking into account the value of the task in relation to one's beliefs, ideals, and standards), Competence (the person feels qualified and able to carry out the necessary activities to achieve the goal), Impact (the completion of the task is considered to make a difference in the scheme of things), Choice (refers to the degree to which the person determine for yourself the purpose of their task or the method of achieving it). From these indicators, empowerment can be obtained from the point of view of employees and company management. Entrepreneurship is closely related to company strategy (Kim, EITarabishy, & Bae, 2018), so companies need to empower entrepreneurship for employees. Many terms are used for entrepreneurship in organizations i.e., entrepreneurial orientation or corporate entrepreneurship, which causes some misperceptions when studying it (Farrukh, Lee, & Shahzad, 2019). Both of these concepts can be interpreted the same, namely from a top-down aspect of the company. The results of research conducted by Amin and Azodi (2015), show that there are 13 empowerment factors in increasing entrepreneurship, namely delegation (mandate or authority transferred to someone), independence (a condition where one can determine for oneself the right goals and decisions), Encourage (one of the intrinsic motivations to have entrepreneurship), in this case, it can be 2, namely formally and informally), Participation in decision-making (employee involvement in decision-making will make individuals feel valued), Futures (the future is related to the goals to be achieved), Funds (funding is one of the driving factors as an entrepreneur), Achievement (the desire to excel is a factor that can encourage a person to become entrepreneurs), Internal Locus of Control (individuals who have internal control locus will be easier to believe in

results based on The actions taken are the result of their own abilities), Creativity and Innovation (a person's ability to develop a new idea / new way to view problems into opportunities), Risk (an uncertain condition, so that it contains an element of danger that will lead to consequences), Commitment and loyalty (emotional bond and trust between employees and the organization), sense of empowerment (an effort to build desire by encouraging, motivating, and increasing awareness and potential). So that this study raises a research question, namely the condition of empowerment in the shipbuilding industry that can affect employee entrepreneurship using a theoretical approach from the research of Amin and Azodi (2015).

2. RESEARCH METHOD

This research is qualitative research that aims to explain the phenomenon deeply through interviews. This research uses a qualitative method with a case study approach conducted in 2 shipyard companies in Batam that experienced the same problem, namely the termination of employment of specially skilled employees. The informants in this study were 2 highly skilled employees who had experienced layoffs at 2 shipyard companies in Batam (with the condition that they had expertise certification). Structured interviews were conducted with skilled employees affected by termination at a shipyard company in Batam. Then the results are revalidated by triangulation to the company's leadership or company management. This research focuses on shipyard companies in Batam city, especially employees who are terminated but are a category of especially skilled employees. The specific skilled employee in question is any individual who has certifications in the shipyard such as health, safety, and environmental certifications, welding inspectors, and other special certifications in the shipbuilding industry. This research focuses on how empowerment conditions in the shipbuilding industry can affect employee entrepreneurship using a theoretical approach from the research of Amin and Azodi (2015).

3. RESULTS AND DISCUSSIONS

Based on the interview results, the two shipyard companies in Batam have carried out empowerment or empowerment of highly skilled employees. Empowerment is carried out such as additional tasks, training and development, and certification. Interestingly, these findings show that high-skilled employees have been laid off by one of the companies that stated that they had difficulty distinguishing between empowerment and exploitation. Exploitation based on the KBBI is defined as utilization for own benefit, utilization; blackmail (about the labor of people). The meaning based on the results of the interview is exploitation that occurs is the provision of additional tasks that are not in accordance with the needs or competencies of employees. However, this exploitation assessment can be considered relatively tolerable because it still has the goal of improving the company's performance. In the implementation, for example, companies are expected to cooperate with each other in doing something, so that there is an effort by the leadership or management to provide additional tasks outside their divisions to understand how each other works. Empowerment is depicted structurally. Employee empowerment is carried out, one of which is by training and development. This concept was introduced in Japan, namely regarding Kaizen. Kaizen principles in the company are constantly changing which means that there is no perfection. This concept focuses on the customer, and its relation to empowerment is a principal Kaizen focuses one of which is about developing personal discipline and giving authority to each employee. Empowerment is an important phenomenon and must be studied, but the fact is that it is less studied in entrepreneurship education (Santos, Neumeyer, & Morris, 2018). While empowerment puts more emphasis on what should be developed for employees so that they know what to do and have competence and desire or motivation to do the work/task. In both companies studied, empowerment can be one of the important drivers for employees, where they feel that with the additional task is the trust of the company's leadership in them, the company believes in their abilities. One of the empowerments that the company does is in the form of training and development which is an investment in employees. However, this term is often misused, such as it does not mean to give authority or work to superiors to subordinates, those who are given delegates must of course still be monitored by their leaders. The leaders of these two companies admit that the empowerment provided is the responsibility of each superior of each division (manager level). Both leaders believe that all levels of managers

understand and make informed decisions when empowering employees. The empowerment carried out is in the form of additional tasks, training, and development as well as giving more authority for highly skilled employees to lead in the field. Both companies also provide the same thing, namely tasks outside of job desc, training, and development according to structure, and interestingly there is already mapping.

There are 3 things that are done such as at the director level, the business & strategic development program is carried out, while the manager, head, and supervisor levels are carried out advanced development programs while at the staff level, the induction program is still staged. In the business & strategic development program stage, training is carried out externally, namely by focusing on leadership and decision-making skills. Meanwhile, in the advanced development program, there are many training programs internal and external. Internally, they will receive training from the director, while externally they will focus on leadership in the team, character building, and some certification taking according to their profession. Meanwhile, at the induction stage of the program, employees are only given training on company introduction and internal training from managers/heads regarding the duties and functions of their division. Highly skilled employees in both companies are at the manager, head, and supervisor levels. This is because they already have an advanced category in their field. This category was obtained because of more than 5 years of experience working and having certifications related to his work. So the training they get is an advanced development program. Based on Thomas & Velthouse (Frymier, Shulman, Houser, 1996) defines conceptual empowerment into 4 indicators: meaningfulness, competence, impact, and choice. The following is a summary of the interviews conducted :

Table 1. Empowerment assessment

Indicator	Empowerment Assessment	
	Employee Perspective	Company Perspective
Meaningfulness	X	√
Competence	X	√
Choice	X	X
Impact	√	√

Information:

X: Not happening

√: Occurs / is felt.

Based on table 1, empowerment in companies has an impact on employees but does not meet the expectations of company leaders to have a social impact. Meanwhile, in terms of meaningfulness, empowerment is considered to have been felt by the company. In terms of competence, the empowerment provided by the company is quite felt because it still has a clear reference. In terms of the choice for empowerment given to employees, all parties (employees and companies) stated that there was no choice given. Furthermore, this study looks for factors that are considered to increase entrepreneurship. The following is a summary of empowerment factors that can increase entrepreneurship using a theoretical approach from the research of Amin and Azodi (2015):

Table 2. Empowerment factors that can increase entrepreneurship.

Factor	Empowerment Factors that can increase entrepreneurship	
	Employee Perspective	Company Perspective
Delegation	√	
Independent		
Encourage		
Education		
Participation in decision-making		
Futures		
Funds	√	
Achievement		
Internal Locus of Control		√
Creativity and Innovation	√	√
Risk	√	√

Empowerment Factors that can increase entrepreneurship		
Factor	Employee Perspective	Company Perspective
Komitmen dan loyalitas	√	√
Sense of empowerment	√	
Mindset	√	

Based on table 2, it can be said that from the perspective of employees and companies, only Creativity and Innovation, Risk, Commitment and Loyalty are able to increase entrepreneurship. But interestingly 13 theories, this study found one additional factor, namely Mindset. Mindset is considered by employees to be one of the factors that can encourage entrepreneurship. Creativity and innovation are intellectual processes to create new and valuable ideas (Mehmood, Jian & Akram, 2020). Creativity and innovation are core factors in an organization's success due to the development of valuable outcomes such as production, strategy development, sales, and profit growth. Leaders and employees alike play an important role in fostering creativity and innovation. Creativity and Innovation can be created if the company can create a culture that supports the creation of innovation. This is in line with research conducted by Bongso (2022), which proves that organizational culture can foster innovation in company members. Entrepreneurs conventionally avoid risk in response to the uncertainty of demand, they look for risks (overconfident) about risks associated with their own abilities. The risk lies not only in the entrepreneur but also in the worker. Commitment can be interpreted as the emotional relationship of employees with the company (Farrukh, Chong, Mansori & Ravan, 2017). If the employee already has loyalty, then the employee will have a commitment to the company. Assessment of commitment and loyalty becomes important to increase entrepreneurship. As entrepreneurs, commitment and loyalty are important keys for owners because they will dedicate time during their business activities. Meanwhile, as employees, commitment and loyalty will also have an important impact on their performance. Research on mindsets based on research by Burnette, et al (2019), discusses implicit theory distinguishing between two main beliefs, now called mindsets: incremental theory or growth mindset, and entity theory or fixed mindset. Individuals with a growth mindset believe that human attributes (e.g., athletic ability, intelligence) can be forged and therefore can be developed through hard work and effective strategies. On the contrary, individuals with a fixed mindset believe that human attributes are fixed and therefore cannot be honed or changed. Based on this theory, if the company can grow a growth mindset in employees, then they will have positive thinking, especially can increase entrepreneurship. Mindset is an important aspect in increasing entrepreneurship, such as the emergence of the entrepreneurship mindset variable, which arises due to the importance of an entrepreneurial mindset in a person. Those who have an entrepreneurship mindset have a growth mindset that can help a person in making decisions that are fast, creative and responsive to change.

4. CONCLUSION

The condition of empowerment in shipyard companies in Indonesia is considered by employees not to provide good indicators of empowerment. This can be seen only as an indicator of the impact felt by employees, while meaningfulness, competence, and choice are not felt by them. Meanwhile, from the company's perspective, they assessed that they had provided meaningfulness, competence, and impact on the empowerment provided. But the company admits that it doesn't give it a choice on its empowerment. This research also proves that of the 13 empowerment factors that can influence/encourage employee entrepreneurship, only 3 are assessed together (employees and companies). These 3 factors are creativity and innovation, risk, commitment, and loyalty. Meanwhile, this study also contributes to new findings, namely the emergence of the 14th factor, namely the mindset that is considered important by employees to encourage entrepreneurship.

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