

The Acceleration of Traditional Batik (Creation and Combination) through Integrated Management to Support the Acceleration in Regional Economic Development

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Abstract

In the long term, this study aims to increase the income and welfare of batik craftsmen, support the development of creative industry, and support the regional development. This study is a descriptive study and uses qualitative approach. The data are gathered using observation, Focus Group Discussion, and content analysis. Interactive analysis technique (Miles & Huberman, 1984), internal-external analysis technique (MSG, 2013), and supply-demand analysis technique (Blank & Stigler, 1957) are used to analyze the data. The result shows that Sragen district has potency in batik that can be developed as local product excellence. On the one side, there are several supporting factors for the acceleration of traditional batik industry in Sragen district, which include municipal government policy, banking facilities through capital loan, contribution from NGO (Non-Governmental Organization), and foster father system. While the factors that hinder the acceleration are the fluctuation of foreign exchange, unhealthy price competition, non-optimal batik association, limited number of experts, limited working capital, raw materials availability, synthetic color quality, erratic weather, non-optimal role of batik cooperation, and the lack of training. Based on the result of analysis we formulate a model to accelerate the traditional batik industry in Sragen through intergrated management to support the acceeleration of regional economic development. The model is then named IMBE (Integrated Management for Batik Enrichment) model.

Keywords: traditional batik creation, combination batik, integrated management

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1. Introduction

Background

Batik is a unique craft that represents the great culture and local wisdom owned by Indonesian. Indonesian batik is widely known in the international level and has received an acknowledgement from UNESCO by includes it in the Representative List of the Intangible Cultural Heritage of Humanity in October 2nd, 2009. This acknowledgement represents international acknowledgement on one of Indonesian cultures, and is expected to motivate and increase batik craftsmen welfare, reduce unemployment, reduce poverty, and support the effort to improve people welfare. Sragen district is one of the centers for batik business. This can be seen from the number of batik SME in Sragen district. In order to improve regional economy, Sragen government has promoted entrepreneurship program for their resident.

The entrepreneurship in Sragen has developed rapidly; this can be observed from the increasing number of SME from time to time. In 2011, Sragen has 13,418 SMEs (BAPPEDA Sragen district, 2012). These SMEs run in various businesses, including batik. In batik industry, there are 4,702 companies/traditional batik industries in Sragen with total investment of Rp. 169,574,000,000,-. The industries can produce 4,287,405 packs of batik (a pack = 20 sheets) (BAPPEDA Sragen district, 2012). Batik is art made thoroughly and carefully to produce the combination of style or special motive and colors. Batik style and color has symbolic and philosophical meaning. Batik is also an expression of creativity and cultural and spiritual values of Indonesian people. Thus, all components of the community, together with the government should take continuous steps to protect and conserve batik.

The development of batik should be directed to change the old mindset about batik, which considers batik as old, traditional, and non-modern style. Batik desain should be developed, so that it become more flexible and can be used by all social layers in the community, for all age groups, and for all occasions. That's why batik industry needs an effort to initiate the production of creative batik. The development of traditional batik creation starts from the effort to diversify batik products to fulfill consumer's needs and demand. With the optimum creation, it is expected that batik will attract young people interest to wear batik. This is important to change the image of batik as older generation dress code to a flexible dress code for all age group. The proper and professional development of batik industry, including developing batik creation and combination in Sragen, will contribute in the increase in community income and development of regional economy.

However, there are several problems regarding the production and market and marketing context of traditional batik creation business (See Figure 1). In the production context, the problems include the limited creativity and innovation of the craftsmen in developing batik creation and combination; in style or motive, design, or coloring process. In the market context, there is no market research on what consumer actually wants from batik industry. Thus, currently, product development is not fully based on market demand. Similarly, the promotion and marketing for traditional batik creation and combination is very limited. A thorough study is need to solve the problem and to provide insight in accelerating the traditional batik creation and combination industry, so that they can make a diversification to fulfill market taste by directing batik into creative industry.

1. Problems

The problems are formulated as follows: what is the potency of traditional batik creation and combination in supporting the development of creative industry based on local wisdom, what contributions does traditional batik creation and combination have in strengthening batik community financial and regional economic development, what are the factors that support and hinder the acceleration of traditional batik creation and combination in Sragen district, how Sragen government formulate their policy to support the acceleration of traditional batik industry, both creation and combination, to encourage the acceleration in regional economic development, how is the management of traditional batik industry using creation and combination in Sragen currently, and what does the draft of integrated management model to support the acceleration of traditional batik creation and combination industry.

2. Research Purposes

This study aims to explore the potency of traditional batik creation and combination industry in supporting the development of creative industry based on local wisdom, to identify the contribution of traditional batik contribution in strengthening batik community economy and regional economic development, to explore the factors that support and hinder the acceleration of traditional batik industry in Sragen district, to study governmental policy in Sragen district in supporting the acceleration of traditional batik industry to encourage the acceleration of regional economic development, to identify the management of traditional batik industry in Sragen district, and to formulate the draft of integrated management model to support the acceleration of traditional batik industry.

3. Research Method

This study is a descriptive research that employees qualitative approach and has generated the description about the potencies and problems regarding the development of traditional batik industry as local special product. This study is conducted in Sragen district, Central Java province. The selection of this area is due to the consideration that Sragen district is the center of batik industry.

The source of data analyzed in the first year consist of batik community, including the businessmen in batik or batik craftsmen as well as policy maker in Sragen district, especially Industrial Bureau, Cooperation and SME of Sragen district, Development Planning Agency at Sub-National Level (Badan Perencanaan Pembangunan Daerah-BAPPEDA) Sragen District, Tourism and Culture Bureau of Sragen District, Community Empowerment Bureau of Sragen District, Trade Bureau of Sragen District, and PPKAD Bureau of Sragen District.

The other sources of data are the written documents regarding batik industry in Sragen district and all environments (location and events) in each batik SME in the area. In this study the data are gathered through several methods, including observation, interview, focus group discussion, survey, and content analysis method. While to test the validity of the data, we employ source triangulation technique (Moleong, 2000). Each data from a source will be cross checked with the data from another source.

The techniques used to analyze the data on the acceleration of traditional batik creation and combination through integrated management to support the acceleration of regional economy consist of interactive analysis, internal-external analysis, and supply-demand analysis. Interactive analysis (Miles & Huberman, 1984) underlines three main components, data presentation, data reduction, and verification/drawing conclusion. Thus, this method focuses on the relationship among each research process that starts from data collection, data presentation, data reduction, and verification/drawing conclusion. Data presentation is organizing the information in the classification or categorization that enables us to draw conclusion. Data reduction is the process of selection, focusing, simplification, and abstraction of raw data from field record that will be transcript and reduced to avoid overlapping.

Inferences is organizing the data gathered so that we can draw the final conclusion from the study, in this case is the study on the acceleration of traditional bati creation and combination through integrated management to support the acceleration of regional economic development.

In this study internal-external analysis focuses on the internal and external factors that affect the acceleration of traditional batik creation and combination in order to support the acceleration of regional economic development. Basically, internal-external analysis supports the effort from a company in MSMEs (micro, small, and medium enterprises) category to achieve the success in their business. In this case, all strengths and weakness or internal and external factors of a business have to be analyzed thoroughly.

The internal factors include the capability, main competence, and resources owned by an industry or IMKM. On the other side, all variables of an industry or external variables of an industry must be analyzed as well. The external variables of an industry are the external factors that consist of the opportunities and treats. These external factors are the factors that cannot or hard to be controlled, thus if a company wants to control these variables, they have to perform an anticipation. This is the reason as why an industry needs long term strategy to anticipate and control the external factors (MSG, 2013). Supply-demand analysis is a tool to find the components in the production process and in the market. Two main components in this analysis are the supply in the form of production and the demand in the market (Blank & Stigler, 1957).

The law of demand mentions that: the number of product demanded is the inverse of price; it means that the increase in price will reduce the number of demand and vice versa. The law of supply mentions that: the product offered will grow in line with the price; it means that the increase in price will increase the number of product offered by company and vice versa.

In the context of this study, supply-demand analysis is used to find the components of supply and demand in the development of traditional batik creation. The market component in SME and traditional batik craftsmen in all over Sragen district supports the development of batik industry in Sragen.

4. Literature Review

1. Batik

Batik comes from the combination of two words in Javanese language "amba", which means "writing", and "titik" which means "dot". The word batik refers to the fabric with motive made by applying wax on to the fabrics, thus straining the dye from entering the fabric. Make batik means painting complicated pattern (dots) on the fabric using wax and a tool named *canting* (Sariyatun, 2006; Cahyani, 2009).

Batik is an art that has high aesthetic value that has become an important part of cultural life in Indonesia (especially Javanese). In the past, Javanese women use their skill in making batik as a source of income, thus, in the past batik crafters identical with exclusive job for women. Batik as one of cultural art has an ability to become national identity. It has unique cultural values inherited from generation to generation, so that we have to preserve it. We do expect that batik will always exist and become the identity of local or national culture (Rara Sugiarti, 2010).

2. Management

Management is a process to plan, organize, direct, and control the efforts from organization members and the use of other organizational resources to achieve the predetermined organizational objectives (Handoko, 2010).

From its character, management has three characters: it is a process of continuous activities, it concentrated to achieve organizational objectives, and gaining result from cooperation with several people and utilizing resources owned by an organization. Management has several main pillars: production management, marketing management, distribution management, financial management, human resource management, and organizational management.

In management, we know five tools known as 5M (Man, Money, Machine, Method, and Market) (Umam, 2012: 13). While integrated management is a process to manage production sector and market sector aimed to reach balance and success in organizational performance.

3. Creative Industry

According to Simatupang (2007), creative industry with creativity, expertise, and talent as the main components, has a potency to improve people welfare through the offer of intellectual creation. The basis for creative industry is intellectual capital manifested in arts, cultures, technologies, and businesses (See Figure 5). Creative industry consists of the provision of direct creative product for consumers and the support to create creative value in the other sectors with indirect relationship with customers " *...industries which have their origin in individual creativity, skill & talent, and which have a potential for wealth and job creation through the generation and exploitation of intellectual property* (Indonesia Chamber of Trade, 2008).

According to the Department of Trade of the Republic of Indonesia, crafts is one of the creative industry besides the other 13 kinds of creative industries that consist of advertising, architecture, art and antique items, arts performance, design (graphic, interior, etc.), fashion design, video-film and photography, interactive game, music, publisher-offset, computer service and software, television and radio broadcast, and research and development (Indonesia Chamber of Trade, 2008).

Creative industry has strong relationship with creative economy. The development of creative economy has been stated in Presidential Instruction Number 6 of 2009. Serious commitment from all stakeholders is needed in the development of creative economy. Stakeholder is the main pillar in implementing creative economy.

This group is the main element known as The Triple Helix (See Figure 6) that consists of intellectuals, business, and government.

4. Result and Discussion

The analysis result shows that batik has been developed in Sragen since long time ago. Currently, Masaran and Plupuh are the sub-districts that developed into a centre of batik in Sragen district. These two sub-districts has long become the centre of batik. The batik production from these two sub-districts has been distributed to all over Indonesia and even abroad. The distribution of Sragen batik is conducted through various techniques and supported by the existence of brokers. As one of the local potencies owned by Sragen district, batik has become the source of income for large number of people in Sragen.

Various jobs that are included in the primary process of batik production including making the design/pattern, drawing the design/pattern, mencanting (applying wax), coloring, *melorod* (washing the wax from the fabric), packing, and marketing, has become the source of income for people in Sragen. Beside those primary jobs, there are also secondary jobs that support batik production, such as *gawang* (fabric holder) production, *canting* (wax applicator) production, special pan for wax production, stove, and container for *lorod*, as well as other tools. There are also industries that produce the raw materials, such as fabric/textile, synthetic or natural colors, and wax. On the one side, the various jobs in batik industry have provided large employment opportunities. However, on the other side, even though batik industry has a good growth; there are several SMEs or businessmen who experience unfortunate condition. Thus, the condition and growth of batik producers in Sragen are varies. Following is the description of the current condition of batik SMEs in Sragen.

1. Supporting Factors

The supporting factors for the acceleration of traditional batik industry both in creation and combination in Sragen are government policies, private sector contribution, facilities from banking service, and NGO contribution. In order to support the development of batik industry as unique product, Sragen district government has formulated the policies to strengthen SMEs and IKM in Sragen.

The policy is implemented into related program such as the creation of conducive environment for SMEs. The program is then further due scribed into several activities such as granting working capital for cooperation and SMEs, granting equipments for SMEs, SMEs development facility, and assistance and development program for cooperation. Besides, there is also a program for IKM improvement, industrial technology improvement, and potential industry center improvement.

These programs are implemented into several activities, including IKM assistance, equipment grants for IKM, facility and working capital grants for IKM, and the development of potential and local industrial centre. Besides the mentioned factors, there are another factor that support the development of traditional batik industry in Sragen district, such as grants for production equipment, training, comparative study, internship, existing showroom, and exhibition.

To increase batik production, both in quantity and quality, Sragen district through its industrial, cooperation, and UKM bureau has provided feeder machine for batik SMEs. The machine has a function to reduce the risk of ruggedness in the coloring and increase the efficiency in economic and human resource terms. With the feeder machine crafter can produce better color. The machine work with dynamo and should be operated by three people. The machine can be operated as follow: the fabric is tied at each tip with rope, then an operator stand in the other side of the machine. The other operator inside the machine has a duty to make sure that the fabric that will be colored enter the machine straightly, and pass over the coloring tube before it is discharged from the machine. While the other operator in the outer side of the machine have to pull the tied rope so that the fabric does not stuck inside the machine. The coloring process with this machine usually uses remasol dye mixed with water glass, so that coloring process with this machine does not need separate color lock process.

Besides the grants of feeder machine, SMES in Sragen also get another production machine, such as canting, press tools, and screen or printing table for printing batik. In order to develop batik industry in Sragen district, local government through industrial, cooperation, and small enterprises bureau provides assistance in technique in the form of training to improve batik quality and marketing network expansion.

The training to improve product quality includes natural dye, diversification of synthetic dye using naphtol, rhemasol, and indigosol. The bureau together with tourism and culture bureau has tried to facilitate SMEs to conduct comparative study to other batik SMEs outside Sragen. This activity wants to facilitate batik SMEs in Sragen to learn from experience and knowledge from other SMEs that also produce batik. With enough experience and knowledge, batik SMEs in Sragen district are expected to produce higher quality of batik.

The facilities provided by Sragen district government to develop batik potency also includes internship program. The internship program is aimed to add more knowledge, experience, and improve skills in other batik SMEs, for example in discipline, health, and work safety. Besides that, internship program also aimed to understand the process of batik production, especially the ones performed by batik SMEs to produce high quality products. Generally, internship program is conducted in relatively longer period than comparative study.

The period of internship depends on the types of knowledge and skills that an intern wants to learn about. Other facility provided by Sragen district government is the existence of showroom located near to the city square. The building is built for batik SMEs in Sragen. The location of this showroom is strategic because it is located in the main street connecting Solo and Surabaya. Batik with various motives, materials, sizes, and colors can be seen in the showroom. These batiks are also sorted based on certain criteria, especially its price. To expand the marketing area, Sragen district government facilitates the SMEs to join exhibition. Exhibition is an effort to increase the sales because it is an effective promotion for batik SMEs to introduce their products. However, besides to increase sales, exhibition has many other benefits.

First, through exhibition, SMEs can gather information from their competitors. The information that can be gathered from competitors are price, new design, materials, and equipments. Second, through exhibition, SMEs can measure their sales success during the exhibition. This also shows whether customers like their product. Short-term sales can become a measure or prior evaluation of long-term sales. Exhibition can be used to reflect SMEs products, and the result of sales during exhibition can be used as an evaluation for future sales.

Third, exhibition is a mean to introduce new product. Batik businessmen have to be active and proactive in offering their products in the exhibition to achieve the effective marketing in the exhibition. Fourth, exhibition can provide correction for the products they produced, to evaluate the shortcomings, so that in the future it will become the base for them to make an innovation for their product, and to fulfill consumer's taste. Fifth, exhibition can build and strengthen SME's image, so that people will consider the SMEs as the producer of high quality batik. Sixth, through exhibition, SMEs can gather information about their competitors, including the information about price, equipment/machinery, newest batik, new outlet/branch/agent, superior products, etc.

Seventh, exhibition can be used to test teamwork in marketing, quality control, production or even packaging. Eighth, exhibition is a mean of direct selling because exhibition is the only advertising media that touch all senses; eyes, ears, nose, and skin, so that it is more realistic to be used in making purchase decision. These activities prove that Sragen district government has tried to empower SMEs in order to encourage the development of populist economics, so that it can be integrated into regional and national development.

This also aims to protect SMEs so that they are not exploited by larger and modern formal business. In order to develop batik business, SMEs in Sragen received low interest loan from banks. The grant in the form of waste water management installation (Instalasi Pengolahan Air Limbah-IPAL) is also granted by GTZ, an NGO from Germany. IPAL has an important role to reduce pollution in the soil and water as a result of batik production. The high volume of batik production in Sragen will have a negative effect toward the environment if the waste is not handled properly.

The role of private sector is vital in supporting the development of batik SMEs in Sragen. One of the systems employed in this process is foster father system in which large company takes a role as the foster father and the SME takes a role as a foster child. The foster father company is a company that functioned as trustee, while the foster child is the fostered (target). The benefit of this system is the improvement of SMEs quality. All this time, large batik company in Surakarta, such as Danar Hadi and Batik Keris act as foster father for SMEs in Sragen, even though this system is not implemented officially. Foster father system based on the interest toward the business that has important role because it is a form of cooperation between large or medium industry with small industry.

This system can become a bridge for small companies to utilize the economic facilities such as provision, technology, and marketing, which in turn will be able to preserve small industry, so that they will become tougher and actively participate in the development, especially in the batik development. In the system, foster father provides a direction and assistance for small industry to improve their quality, financially through loan, and non-financially through the provision of raw materials, acts as guarantor for small industry in finding loans, provides hardware or software for training to improve quality and skills, as well as providing aids for marketing.

2. Obstacles

Despite of the factors that support the development of batik in Sragen, there are also factors that hinder the acceleration of batik industry development in Sragen district. The obstacles are the fluctuation in foreign exchange, unhealthy price competition or no standard in product price, non-optimal support from batik community, limited working capital, limited experts, difficulty in finding raw materials especially silk, the fluctuation in synthetic dye quality, unpredictable weather in the cold printing batik production, non-optimal role of current cooperation, and the lack of training in order to improve batik quality.

One of the factors that hinder the development of batik industry is the fluctuation of exchange, which has serious impact on the price of raw materials such as textile and synthetic colors that must be imported. In this case, batik SMEs have weak bargaining power and most of the time are forced to giving up with the current situation. Another obstacle in the development of batik industry is the unhealthy price competition among batik SMEs in Sragen. In order to sell their products, several SMEs sell their batik with very low price, so that they only receive small amount of profit. Currently, there is no standard for batik price to avoid unhealthy price competition among batik SMEs.

That is why currently each SME makes their own pricing system. Thus, there is an impression that some SMEs sell their product with very high price while other SMEs sell their product with very low price. The other problem is the non-optimal support from existing batik community. Several batik SMEs in Sragen have form a community that is aimed to reach efficiency both in production and marketing sector. However, this community is not functioned optimally. Another obstacle is the limited experts in batik. Even though human resource in Sragen is overabundance, but it is relatively hard to find labor that has expertise in batik. As an example, the number of people who can create batik motive is very limited. This affects the lack of uniqueness in batik motive, because they employ the same person to draw their motive. Similarly, in traditional batik production, the numbers of people who have expertise in applying wax into the fabric keep decreasing from day to day.

Besides the limitedness of experts, batik businessmen also experience the limited working capital. Batik production demands high capital because producers cannot directly sell their products upon completion.

They have to wait until there are customers who are interested with their products and bought them. This causes batik businessmen have to have extra capital to produce product stock so that customers have wide variety of choices. Batik industry also experiences difficulties in finding raw materials, especially silk. Recently, due to the low exchange of rupiah, batik industry finds that silk is unaffordable for them. This also causes the increase of silk batik price in the market because silk batik becomes rare. The same case happens to the synthetic dye, which increases during the weak currency exchange. This in turn will force IKM to adjust their product price, or increase their product price. As an addition to the high price of synthetic dye, the quality of this dye also affects batik quality.

As the effect the increase in price, a few producers can only afford the cheap dye, which in the end resulting in dissatisfaction because the color of their product wear off when customer wash it.

Another obstacle for batik industry is the erratic weather which has severe effect on the production of batik using cold wax printing. The erratic weather will affect the quality of batik. From the organizational side, there is an obstacle in the form of non-optimal role of batik cooperation. The SMEs in Sragen has initiated a batik cooperation named Koperasi Batik GIRLI. The word GIRLI is an acronym from pinggir kali (riverside). This name is selected because the centre of batik industry in Sragen located in Masaran and Sragen sub-districts, which both located on the riverside of Bengawan Solo. Even though it has long put into realization, this cooperation does not function optimally. Another obstacle is the lack of training to improve batik quality. Sragen district government, university, and private sectors have tried to conduct a training to improve the quality of batik Sragen. However, the training is not intensive and tends to be incidental. The training includes batik production with various techniques and coloring training, both using natural color or syntethic color.

Sragen district government has formulated policy regarding the development of batik industry through SMEs and IKM strengthening program. Batik industry is one of business/small and medium industry in Sragen. The development of SMEs, including batik, has been formulated in Local Government Development Plan (Rencana Kerja Pembangunan Daerah-RKPD) of Sragen district 2015. In Chapter V regarding Program Plan and Priority Activities of Sragen 2015 Table 1 there is Point 1.15 regarding cooperation and SMEs.

The priority program in cooperation and SMEs in the creation of conducive environment and the improvement of organizational quality for cooperation. While the priority activities in the plan is providing capital grants for cooperation and SMEs, providing equipment grants for SMEs, SMEs development facility, and supervisory and development of cooperation. Another policy and program including the Point 2.7 regarding industry with priority program to increase IKM, improving industrial technology, and improving potential industrial centre. The priority activities mentioned in the program including IKM supervision, equipment grants for IKM, facility and capital grants for IKM, and the development of potential and local industrial centre.

3. Management

Management of an industry/business is one of the keys to achieve success or the business. In this study, management refers to two main sectors, production and marketing. The production sector includes all activities related with production: production process, human resources, quality control, and financial management. While marketing sector focuses on the market: both the existing market and potential market. The management implemented by SMEs in Sragen is still traditional management. Even these SMEs do not understand the management term, such as integrated management, production management, human resource management, etc. Some of them manage their business based on the experience they get when they worked as employee in another SME. Following we describe each management sector that have been implemented by batik SMEs in Sragen in managing their business.

3.1. Production Management

Production management is an activity which aims to organize and coordinate resources utilization, including human resource management, assets management, as well as finance and material management, effectively and efficiently in order to create and increase certain goods utility as well as improving productivity. The SMEs in Sragen Municipality generally have not implementing management in broad term. The management model that is implemented is mainly the traditional and family based management. In term of production management, there are three points that are already managed i.e. product diversification, production mechanism, and quality control. However, such management remains traditional.

A sector that should be considered in production management is product diversification. Batik product diversification is an effort taken by batik SMEs to maintain their product uniqueness and quality. Diversification is needed to give consumers alternative in choosing the product they want to buy. Batik SMEs in Sragen Municipality have managed their product diversification traditionally by creating batik motif manually. There is a batik artisan in Sragen who is excelling at creating batik motif. Thus, there are many SMEs that use the artisan's service in preparing their batik motif in different version, thus the uniqueness is preserved, because they had specified the motif they want when placing the order. Another important matter is production mechanism. All of the SMEs in Sragen Municipality organize their own production process for all of batik product.

The production mechanism varies from one to other SMEs. Some products are produced in main production site which is belonged to certain SME. Some other products is produced in batik artisan's house. When there is a huge order, a SME usually will collaborate with other SMEs based on agreed upon system.

Quality control is another important matter in production management. Several SMEs in Sragen Municipality have conducted a quality control on their product. However, such quality control is conducted traditionally. Several SMEs conducted self-quality control and relying on wholesaler or buyer to do the quality control. Thus, if there is no product is rejected by wholesaler and buyer it would mean that the product has meet market requirement.

3.2. Marketing Management

The marketing management in the most of SMEs in Sragen Municipality is not based on the marketing theory. The marketing management is a management process which covers several activities such as analyzing, planning, implementing, and monitoring of marketing activities in a company (in this study a SME). The focus of marketing management is fulfillment of market demand, pricing, communication, and efficient and effective distribution in providing information, encourage, and serving the market. In marketing its product, the SMEs in Sragen Municipality depend on traditional marketing such as putting their product in the intermediaries' outlet. These intermediaries seller are the seller who have outlet in Pasar Klewer, Pusat Grosir Solo (PGS), Beteng Trade Center (BTC) and other place.

An important aspect that should be considered in marketing management is market target. In marketing management, most of the SMEs in Masaran Municipality have not been determine their market target. Market target is a group of consumer that has same characteristics which make it to be an independent target. Market target gives a good prospect, thus producer could marketing its products to several places or regions. Market target will narrow down the mass market into several segments.

With the absence of detailed target market, it seems like the SMEs in Sragen Municipality is competing in the same segment, which is general market segment. Beside target market, a company should also consider marketing area. Most of the SMEs distributing their product to Surakarta (Solo), Malang, Surabaya, and other islands such as Bali, Sumatera, Kalimantan, Sulawesi, and Papua.

The focused management activity in term of marketing area is covering several aspects such as implementing competitive pricing and producing high quality product. Promotion media is a part of marketing management. Most of the SMEs in Sragen have not promoting their product independently. Most of them are promoting their product with assistance from other institution such as governmental institution and universities. The Government of Sragen Municipality encourages the promotion of batik product by organizing exhibition and showroom in Sragen. Meanwhile, some universities are assisting the SMEs in promoting their product through electronic media such as website, which leads to online marketing.

3.3. Human Resource Management (HRM) .

The success of batik SME is, one of many aspects, determined by the success in term of human resource management (HRM). HRM is a measure to organize the relation and role of human resource (employees) owned by a company. Thus, through HRM a company can manage its human resource efficiently and effectively and maximizing the advantage to achieve company's objective. HRM involve all management decisions and implementations which will affect human resource activities directly. The role of human resource in a company is in the form of their involvement in a planning, system, process, and establishment of company's objective. There are several aspects that need to be considered in HRM such as improvement in productivity, turnover rate, and employees' incentive.

One of important aspect is productivity improvement. Productivity is a ratio between the output and the cost needed (input) to reach such output. Input includes production cost and equipment cost. While output includes sales, earnings, market share, and defects. Human resource productivity is a unit of measure to determine company's outcome relatively with its objective set. Productivity has an important role in improving profitability and strengthens competitiveness. The productivity in batik SMEs in Sragen can be considered excellent. SMEs' batik artisan in Sragen is known as one of the most highly productive artisan. This can be viewed from the quality and quantity of batik product in Sragen. Batik SMEs in Sragen can fulfill the demand from several well-known batik companies such as Danar Hadi and Batik Keris and many other batik entrepreneurs in Surakarta.

Besides that, employee turnover should be considered as well. This is important especially in traditional batik SMEs which rely on human resource capability. Human resources of employees are one of many factors that determine the success of a company (SME). Therefore, a company is required to maintain its employees to minimize turnover rate. Turnover refers to a condition when an employee resigned from their workplace. There are some factors that affect turnover rate such as labor market condition (external factor), internal factor (workplace condition, wages, skills and supervision), and personal factor (intelligence, attitude, personal experience, gender, interest, age, tenure, and personal reaction to their job). Turnover in batik SMEs in Sragen is relatively low. This is because of the implementation of traditional HRM which is based on kinship. Therefore, human touch is more dominant and creating a strong interaction between owner and employees, which will lead to respect.

3.4. Financial Management

Financial management is a process of organizing company's finance. This process involves planning, finance analysis, and financial control by finance manager. Financial management can be viewed from fund source, fund adequacy, and bookkeeping which also covers cash book. Based on the analysis on the potential, constraint, supporting factors, and the policy of Sragen Municipality Government, which related to batik, a model is established to accelerate traditional batik growth through integrated management to support regional development acceleration.

The model called IMBE (Integrated Management for Batik Enrichment). IMBE model is a draft because it was established by researchers' team based on the above mentioned factors. The establishment of the model involves all stakeholders of batik SMEs because the model is focused on the findings or result of analysis which is not final. The establishment of model draft is conducted along with the analysis process during the first year, thus the draft model is developed near the end of the first year. The IMBE model consists of several aspects such as context, integrated management, and enrichment (batik enrichment). The main foundation of IMBE model is context which include all atmosphere (which related with batik potential), problems (which related with batik development in Sragen Municipality), policies (either in the Sragen Governmental or Central Java Governmental, and Central Government), and a strong networking.

Context should be managed by integrated management, which involves the management of production and marketing sectors equally. The outcome of 'context' management is a long term result that should be achieved together and based on synergy and good collaboration of stakeholders. A detailed figure of IMBE model is depicted in Figure 1 as follow. Figure 1: IMBE Model.

5. Conclusion

The research result shows that Sragen Municipality has a potential in batik, which can be developed as regional featured product. The existence of batik industry has providing a contribution to the local economy strengthening. On one side, there are several factors that supporting the acceleration of traditional batik (creation and combination) in Sragen Municipality such as government policy, banking facilities (capital fund), LSM contribution, and private parties contribution through foster father program.

On the other side, there are several constraints such as fluctuation in currency exchange rate (rupiah on dollar), unhealthy price competition between SMEs, the existence of batik community, which is not optimal yet, lack of experts, lack of capital, the difficulty in finding the raw material (especially silk) fluctuation of synthetic dye, erratic weather (in the cool wax technique), the role of batik cooperation which is not optimal yet, and lack of training in the development of batik quality.

However, Sragen Municipality government has established a policy which is related to the development of batik industry through Micro and Medium batik enterprise and small and medium batik enterprises reinforcement program. The management of SMEs in Sragen Municipality is conducted conventionally, either in production management (such as product diversification, production mechanism, and quality control), marketing management (such as target market, marketing area, promotion media), HRM (such as improvement in productivity, turnover rate), and financial management.

Based on the result of analysis on the potential, constraint, supporting factor, and government policy, a model is established to accelerate traditional batik growth through integrated management to support regional development acceleration. The model called IMBE (Integrated Management for Batik Enrichment).

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