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The Influence of Culture and Behavior on Business Strategy, A Case Study on Batik Madura Industry

Steelyana, Evi^{1*}, Alwiyah², Cahyadi, Yoyo³

^{1,3} Faculty Member of Accounting Department, Faculty of Economics and Communication, BINUS (Bina Nusantara) University, Jakarta Indonesia

² Faculty Member of Accounting Department Wiraraja University, Madura, East Java, Indonesia, E-mail: Evi.steelyana@binus.ac.id

* Corresponding Author

Abstract: In the current global era, business strategy is one of the important thing for company development to win the competition. Strategies are concerned with the scope activities that they produce. General Strategies and Competitive Strategies are both could be categorized as two main strategies. Some factors are also playing important role and influence on business strategy, in the certain industry, culture and behavior could be taken as those factors. The main focus of this research is a business case for Batik Madura Industry. There are several factors that could support Batik Madura Industry for continous development and how it can be survived in global competition, our main factors in this research are in culture and behavior. With Literature Review Methodology Approach and secondary data from Statistic Indonesia, Central Bank and Ministry of Trade this research will explain and discuss how culture and behavior as the important factors that should be taken as consideration to develop Small Medium Enterprise in Indonesia especially in Batik Madura Industry.

Keywords: Global Era, Business Strategy, Culture, Behavior, Batik Madura Industry

INTRODUCTION

A business strategy should be supported by company culture and alignment organisation, which are key determinants to successful strategy implementation (Torben, 2013). According to Saphiro (1989) business strategy consist of two significant factors which are strategic decision and tactical decision. For long term commitment and company development, strategic decision plays as important factor, for short term condition and current response, tactical decision takes the role. If company aims for effectiveness on strategy implementation, business strategy cannot stand alone, without cultural and organisational alignment (Torben, 2013).

Culture is something very fundamental in human life, it is intended to make people easily adjust with their environment which surrounded (Samovar, Porter and McDaniel, 2003). Originates from habits that later formed the behavior of a particular society, culture also include ethics, philosophy and universal value of a certain society (Soehardi, 2002). In Java, batik is a cultural product that represent the beauty of nature and Javanese philosophy. Batik motives could represent social status, beliefs and expectation of the user (Dwiyanto, Nugrahani, 2002). Batik motives which describe good expectation that could be used on wedding party are *Sidomukti*, *Sidolubur*, *Sidomulyo* (Laksmi, 2010) Meanwhile *Gunungan* motive represent supranatural power which is believed could strengthen the *aura* of the user (Fraser-Lu, 1986).

Currently, Batik have been designed and produced in many type of media, it could based on many variety of material such as wood, ceramics, leather and it is not only for traditional purposes but it could be used for household items that is being used daily (Kemendagri, 2008). As part of global economy era, Batik Industry should be developed and adjusted with modern environment, since there is no boundaries between countries then competitive advantage become significant factor for companies to survive in the global era (Matijevic, Raguz and Filipovic, 2015). Modern business process is influenced by globalisation and management strategy is impacted by its national culture (Drucker, 2001).

Batik Madura is clustered as batik pesisir, which was made outside Solo and Jogjakarta (Joemena, 1986). Madura is located at East Java, it is a small island but batik is one of the trade commodity. Batik Madura is being produced within 4 areas of Regent which are Kabupaten Sampang, Kabupaten Pamekasan, Kabupaten Sumenep, Kabupaten Bangkalan. Some of Batik Madura motives which well known are *Leres (lereng)* and *Sekol Bujel* (Fajriati, 2016). Natural coloring such as "*Gentongan*" become uniqueness technique of Batik Madura, as well as the strong colors and pattern which are adopted from Madura's culture, people's character and its nature (National Geographic, 2013).

Batik as cultural industry involves many factors, both in the art and business side. Especially for Batik Madura Industry, as part of creative economy and cultural heritage, it needs to be more flexible and adjusted to the current situation. In the current situation where changes is rapid and information technology grow significantly, batik Madura industry can be developed as creative industry which support and contribute to public welfare and still preserve the traditional value and local wisdom.

Batik Industry contributes significantly to Indonesia trading value, on 2015 it was USD 156 Million for export Batik from Indonesia and it was 10% higher from 2014 (Kemenperin, 2015). Consider the value and its contribution, Batik Industry should be preserved and be maintained for sustainability and manpower absorption. Business strategy could take major issue on how batik industry could be survived through global competition. In Batik Madura case, there are several factors being considered for supporting the aim on key points on business sustainability, some of it are business strategy, culture and behavior of the batik Madura artisan and SME entrepreneurs.

The objective of this paper is to describe how culture and behavior are consider as important factors which are influencing business strategy, especially in the development of Batik Madura Industry as Small Medium Enterprises in Indonesia.

STUDY REFERENCES

Culture as result of creation, senses and contribution of people which could affect to environment and nature. The creation itself consist of material culture as well as spiritual immaterial culture which beneficial

for society (Selo Sumardjan, 1988). Culture in Bahasa Indonesia is “Budaya” which comes from Sanskrit word “Buddhaya” which means Spirit (Budhi) and Mind (Daya), Budaya is things related with Mind and Spirit in daily behavior of society (Koentjaraningrat, 1986) There is universal values of culture that consist in every civilization, which could be grouped into several clusters and each of it relate with human need. The system that relate with domestic institution, economic institution, educational institution, scientific institution, recreational and aesthetic, religious institution, political institutions and somatic institutions.(Koentjaraningrat, 2004).

In 2009, Indonesian Batik had inscribed on the Representative List of the Intangible Cultural Heritage of Humanity by UNESCO. Batik Indonesia is part of society and stage of life, started with batik sling for infant with charm symbol to bring good luck and in the end is the corpus with funeral batik. Batik as art object play central role in certain ritual, such as royal ceremonial into common people ritual as well as volcano ritual (UNESCO, 2009).

Batik industry in Indonesia still consider as Small Medium Enterprises and it is needed to be developed, this industry should have strategy which consist elements which are vision, mission, goals and network (Watkins, 2007)

RESEARCH METHOD

This research is using both Quantitative and Qualitative Approach. Data analysis was based on secondary data from Kementrian Perdagangan, BPS and Bank Indonesia. In the other hand, qualitative approach were based on Literature review and empirical study.

CONCLUSIONS AND RECOMENDATIONS

1. Integrated Strategy by Local Government on Batik Artisan Reward

Culturally, the ability to create Batik Madura was inherited from generation to generation. Batik madura have certain degree of difficulty on techniques well as cultural values. But the reward that being given to batik artisan were not worthed. This is one of the factors that declining Batik Madura Artisan. It needs business strategy which is integrated with local government and SME entrepreneurs to lift up the welfare of Batik Madura Artisan, considering batik madura is one of cultural heritage. There should be a minimum wages for Batik Madura Artisan which is being regulated.

2. Increasing capacity and productivity on Batik Madura Industry

Special events or discount program could be created to increase Batik Madura productivity. Special days to wear Batik Madura for governemnt employee and school days. Cultural and Tourism events for increasing Madura Tourism Industry.

3. Education Institution for Batik Madura center of development

Local product which supported with local wisdom could create local businesses go global. As cultural heritage, Batik Madura should be preserved by developing and maintaining batik artisan by create a center of Batik Madura. It is an institution that provide knowledge and as center of development and workshop for Batik Madura. People could gaining knowledge, learn and develop the business of Batik Madura.

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