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The Influence of Implementing the Strategic Policy in Creating Business Climate, Business Environment and Providing Support Facilities towards Business Empowerment on Small Medium Craft enterprises in Ambon Indonesia

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ABSTRACT

This study aims at analyzing and explaining whether there was the influence of implementing the strategic policy in creating business climate, business environment and providing support facilities towards empowerment on small and medium enterprises (SMEs) as well as whether there is synchronously influence of implementing the strategic policy in creating business climate, business environment and providing support facilities for business empowerment on small and medium scale enterprises through a survey in the city of Ambon. The results show, that there is a positive and significant effect of implementing the strategic policy in creating business climate to empower SMEs. There is a positive and significant effect on the business environment toward the empowerment of SMEs, there is a positive and significant effect of providing support facilities toward the empowerment of SMEs, and there is a positive and significant simultaneously effect in business climate, business environment and support facilities for business towards the empowerment of small business in Ambon city. Empowerment programs are conducted to maintain a conducive business climate, including: (1) the innovation promotion, (2) enhancing human resources through training development; (3) providing financial support, (4) giving support to the marketing strategy, (5) opening the business partnership. While the supporting facilities granted to SMEs including: (1) giving the fishing boat for the fishermen, (2) providing the workshop (machine shop service) facilities to small crafts business enterprises, (3) establish vendors for small enterprises, (4) provide the area for street vendors, (5) provide tents for merchants culinary who work at night. Providing the assistance to encourage the business climate and create conducive business environment.

Keywords: Business Climate, Business Environment, Support Business Facilities Empowerment

JEL Classification: M1

1. INTRODUCTION

National development is the benchmark progress of a country, it can be done by promoting of various business institutions, and one of them is the small and medium enterprises (SMEs). Law No. 9 of 1995 explained that small business is give more freedom of movement from SMEs in law article 12, stated that, the government grow the business climate in terms of business licenses referred to in article 6 paragraph (1) letter f with set the legislation and policy to: (1) simplify the procedures and types of permits to work towards a system, (2) providing ease in getting the permissions.

To accelerate the real sector, the government through the presidential instruction no. 6 of 2007 state that the acceleration policy for real sector and the empowerment of micro, SMEs. Policies issued by the government during the reformation era indicate that, there was process of empowering the SMEs. Government partisanship through providing capital, intellectual and institutional, but to implement these commitments, again there was the resistance factor that is not easy to be penetrated only by the executive policy. The main limiting factor in the empowerment of SMEs among others is human resources and communications. The existence of phenomena shows varieties of difficult policies implemented as described above, it can be

concluded temporary that; the empowerment of SME is not a short term policy commitment, but it is a long-term political process. In effort to accelerate the process of empowering the SMEs during the reformation era has also seen quite a lot of political issues that should be able to speed up (acceleration) the process to empower cooperatives and SME. Therein lays the subject matter. SME and stakeholders are required capable of providing assurance to the decision makers to be more pro-development of the many community groups. The ineffectiveness of the political issues that developed during the reform was indicated that the process of political communication itself was not done well. The empowerment of SME cannot be separated from the basic conception of economic development to build the growth medium SME. Designing a basic conception of Ministry of Micro, SMEs (MSME) empowerment is to build a system that will be able to eliminate all the problems related to the success of SME.

The aspect that determines the success of SME is business climate and business environment. This aspect is closely related to the ability of development system, while the development system related with many actors and many variables are significant and long-term (multi years). Because of the terms, so the factors are difficult to be measured the success as a creation of an institution or a government regime. Therefore conduciveness of each factor must be improved and solved. To determine the condition of each of the factors and actors that plays the role above, it need to be evaluated every time, every place and every sector of the business activities of MSME (Munizu, 2010).

Implementation of the strategic policy in creating business climate and business environment is implemented with the purpose to empower small and medium craft enterprises. The results of this study aims to determine whether there is a positive and significant effect of the implementation of the strategic policy in creating business climate to empowering businesses and is there a positive and significant relationship business environment for the empowerment of SMEs in the Ambon city.

2. LITERATURE REVIEW

2.1. Public Policy in Economic Enterprise

In various disciplines of sciences that were involved from the many review of literature, it found that; the successfulness of a business available in managing the resources depends on the ability to manage and how to organize what we plan to do; it is often mentioned as a management process. Management related to how to apply the principles and functions of management to implement public policy. It is intended to implement the things that have been decided by principle and management functions. Emphasis on the implementation aspect is reflected from the definition of management delivered by Follett (2003) and Keban, (2008) the management as “a process of achieving results through others” (getting things done through other people). The definition contains several important elements. First, management is a collaborative process that has priority on synergism. Second, the process is done between people and led by a man who has function as a manager or leader. And third, the cooperation is guided by certain principles that have been tested on the reliability. Shafritz et al.

(1997) management regarding to the person who is responsible to run an organization, and the process of organization itself including the resources (such as people and machines) to achieve organizational goals. Donovan and Jackson (1992) explain that the management as an activity that is carried out at the level of a particular organization, as series of skills (skills), and series of tasks.

Related to service management in the public sector, according to Rahmat (2009) the service management in the public sector is the overall service management activities undertaken by the government which is operationally run by government institutions in accordance with the authority also include the direct or indirect service through the government policy.

Development of public management in the future, according to the National Commission on Public Service in the United States need to consider several things, among others:

1. It should be clearly identified the role of public servants in the democratic process, as well as ethical standards and high performance of the important head of the institution
2. It should be flexibility in managing the organization, including the freedom to record the employee who must be promoted to leader a department and the head of the institution
3. The appointment and recruitment of employees by the president must be reduced and given space for professional career development
4. The government should invest more in education and executives training and management.

2.2. Implementing the Public Policy to Empower SMEs

2.2.1. Empowering SMEs

Sukidjo (2004) stated that the main role of the existence and growth of SME in general are meant to be able to make a positive contribution to the efforts of reducing poverty, unemployment and the equitable distribution of income. Even Supriyanto (2006) states that: Small business and the informal business sector which proved have the function in overcoming the impact of the economic crisis that ever beset Indonesia in 1997. On the other hand, small businesses and the informal sector have been able to give contribution in pushing the growth of Indonesian economy.

2.2.2. Stages of empowerment

Stages empowerment according Sumodiningrat (1997) stated that empowerment is not permanently, but until the target of society are able to be independent, and then released for independent, although from a distance is maintained by the government it should believe that, the independent of the society not to fall again. Based on this opinion, the empowerment through a period of learning, to achieve the independent status. However, in order to preserve the independence, it still need to do the maintenance to the spirit, condition, and the ability continuously so it is not suffered a setback again. As stated before that the learning process in order to empower the economic development should be applied gradually. Phases that must be passed are included: (1) phase of awaking and forming the behavior to become awareness and care person so they can realize that, their own ability need to be increased, (2) phase of transforming capabilities in form of

insight knowledge, competence and skills in order to provide basic skills so that they can involve in the development, (3) phase of enhancing the intellectual, competence and skills, so the forming of initiative and innovative ability can bring the independence (Ambar, 2004).

A process of empowerment always is faced with the phenomenon of helplessness as the starting point of empowerment activities. Powerlessness experienced by a group of people has been a matter of discussion and academic discourse in recent decades. Specially in Indonesia, the empowerment became stronger regard to strengthening of democratization and recovery the economic crisis. Kiefer (1988) and Suharto, (2008) describe concretely about any group that experienced in helplessness that is; "certain groups who have suffer discrimination in a society such as low-income communities; poor society, small businesses, vendors, ethnic minorities, women, blue collar workers, small farmers, generally these people are the ones who experience helplessness."

The helpless condition and behavior affecting the group of society is often viewed as deviant, underappreciated and even labeled as lazy and weak that caused by certain people. Though the powerlessness is the result of structural factors such as lack of justice and cultural factors in form of discrimination in certain aspects of life. This powerless is making the community more unable on labor and gives impact on poverty. Therefore, with good management of SMEs can overcome the problem of economic inequality which is called as poverty.

According Sukidjo (2004) Opinion the presence of SME, society can do productive activities whether in the fields of trade, agriculture, fisheries, livestock, household industry, handicrafts, construction services, and other services so that question will earn regular income. Earned income can be used to finance the purposes of their life in the form of procurement of goods and services that are needed, so that concerned can always be liberated from poverty.

Departing from the powerlessness phenomenon, it appears the various actions of empowerment with varieties of approaches begin with sustainable programs to the sporadic activities. Understanding the empowerment becomes the attention of many people from various fields, disciplines and approaches.

2.2.3. Definition of micro, SMEs

Small business is meant here is include a small informal business and small traditional business. small informal business is a wide range of businesses are not registered, and has not been incorporated by law, among other they are farmers, home industry, itinerant merchants, street vendors, and scavengers. While the traditional small business is business money by using simple production tool that has been used for generations, and or arts and cultural activities (Anoraga, 2007).

Next law no. 20 in 2008, precisely stated in article 1, MSME can be explained in detail below:

1. Micro is economically productive activities belong to the individual and the individual or business entity meets the criterion of micro, as stipulated in this law.

2. Small business is an independent economic productive are, which is done by the individual or business entity that is not a subsidiary or branch company or not owned, controlled by, or be part of, either directly or indirectly from medium or large enterprises meet the criteria for small business as defined in this law.
3. Medium enterprises is an independent productive economy business, which is done by the individual or business entity that is not a subsidiary or branch company owned, controlled or be part of, either directly or indirectly with the small or large enterprises with the amount of wealth net or annual sales revenue as stipulated in this law.

Still in Law no. 20 of 2008, in article 6 described the exact criteria of the MSME.

1. Criteria for micro. There are two criteria for this business, namely:
 - a. Have a maximum net worth Rp. 50,000,000.00 excluding land and buildings, or
 - b. Have annual sales of at most Rp. 300,000,000.00.
2. Criteria for small business. The criteria of this effort include:
 - a. Have a net worth more than Rp. 50,000,000.00, excluding land and buildings, or
 - b. Have annual sales more than Rp. 300,000,000.00 up to a maximum Rp. 2,500,000,000.00.
3. Criteria medium enterprises. There are two criteria medium enterprises, namely:
 - a. Have a net worth of more than Rp. 500,000,000.00 up to a maximum of Rp. 10,000,000,000.00, excluding land and buildings, or
 - b. Have annual sales of more than USD 2,500,000,000.00 up to a maximum of Rp. 50,000,000,000.00.

2.2.4. Creation of business climate policy

The description of SME business climate conditions at this time can be seen from the from time to time, place to place, and sector to sector. empowerment is already be a part of national commitment in order to achieve economy justice in, since have a huge potential to support equitable development across sectors, between groups and between regions.

The policy on SMEs, the Law 20/2008 on SME, in particular in article 7, paragraph 1 is very clear that the government and local governments foster a business climate by establishing laws and policies that include aspects: (1) funding, (2) facilities and infrastructure, (3) business information, (4) partnerships, (5) business licensing, (6) business opportunities, (7) trade promotion, and (8) institutional support.

Furthermore, regarding to the government support in article 8, namely that aspect of the funding referred to in article 7, paragraph (1) letter a is indicated for: (1) expand the sources of funding and facilitate micro, small, and medium enterprises to be able to access bank credit and financial institutions which is not is a bank, (2) multiply the financial institutions and expanded its network so it can be accessed by the micro, SMEs, (3) provide ease in obtaining funding in a rapid, accurate, inexpensive, and non-discrimination in service in accordance with the provisions

of the legislation, and, (4) assist the perpetrators micro, small, and medium.

The role of the government to issue a policy that supports the development of in Indonesia is very important because the goal is the empowerment of lower middle class so that their economic life improved. Aiming to grow and develop the business in order to build a national economy based on fair economic democracy. Moreover, the purpose of the empowerment of are: (1) achieve a balanced structure of the national economy, developing, and justice, (2) the ability of to grow and develop into a strong and independent businesses and, (3) increase the role of in regional development, job creation, income generation, economic growth and poverty alleviation of the people.

3. METHODOLOGY

3.1. Type of the Study

Survey study is used to find out mixed method information, Creswell (2013) in Moleong (2011) stated that mixed method is a research approach which combine quantitative method and qualitative method. Moreover, Sugiyono (2011) state that mixed method is a method that combining or mixing two kinds of research approaches; quantitative and qualitative in which it can be applied together in conducting a research to get comprehensive data, valid reliable and objective.

3.2. The Location of the Study

The study is placed in four districts at Kota Madya Ambon namely Sirimau district, Nusaniwe district, Teluk Ambon district, Teluk Ambon Baguala district and South Leitimur district.

3.3. Design of the Study

Path analysis and structural equation modeling are used in this study by determining construct variable which is examined. The variables can be categorized into two variables; there are three independent variables namely creating business climate (X1) business environment variable (X2), creating supporting business facilities (X3) towards empowerment of small medium craft enterprises (Y).

The path analysis is applied to analyse causal correlation among variables with aimed at finding out the direct influence and indirect influence.

3.4. Population and Sample

According to Sugiono (2011) population is a generalisation area consist of object/subject which have quality and certain characteristics that is determined by a researcher to study then to take a conclusion. Arikunto, (2003) stated that population is a whole subject of the study. Based on the statement above, the population of this study consist of SME industries in Ambon City. They are; small mabel industry, small shells craft industry, small craft of wood mabel industry, small craft of wood mebel, small craft of Ratan industry and small craft of tenun industry which have the services from cooperation department and SME in Ambon city.

These small industries directly have perception about the policy which is issued by the government in Ambon city. All small handicraft industries in Ambon which is placed in four district is about 35 small industries with the total of leader and officers was about 200 people. Therefore, the respondents of the study consist of; (1) the leaders of small industry were 35 people, and (2) the officers were 165 people.

Beside it, the researchers conduct in-depth interview with the leader of UKM department in which the researcher got the datum related to the development of small industry in Ambon city and challenging and constraints facing by department leader due to the implementation of strategy policies of labor climate and empowerment of small industry which are his responsibilities.

3.5. The Variables of the Study

The variables consist of three exogenous variables and two endogenous variables. They are the implementation of strategy policy on creating business climate (X1), the implementation of strategy policy on creating business environment (X2), and the implementation of strategy policy on supporting business facilities (X3) as exogenous variables. Meanwhile empowerment on small medium craft enterprises (Y1) as endogenous variable.

1. Business climate variable (X1). It has three sub variable: (1) competitive business variable with 6 questions (1-6), (2) accounting supporting variable with 9 questions (7-15), and (3) business security with 5 questions (16-20).
2. Business environment variable (X2) with five sub variables. The indicators of business with 5 questions (1-5), market with 8 questions (6-13), security of officers with 2 questions (14-15), community supporting with 2 questions (16-17) and transportation with 6 questions (18-21).
3. Business supporting facilities variable (X3) with 2 sub variable. External supporting with 4 questions (1-4) and internal supporting with 4 questions (5-8).
4. Empowerment on small medium craft enterprises (Y1) with 3 sub variables; the adequacy of modal with 5 questions (1-5), managerial competence with 4 questions (6-9) and business productivity with 4 questions (10-13).

4. DISCUSSION

4.1. The Results of Quantitative Descriptive Test

4.1.1. Implementation of the strategic policies creating the business climate

The success rate of implementation of the strategic policy about creating business climate by using a questionnaire consisted of 20 items which were declared valid with the lowest score for each item is 1 and the highest score is 5. Therefore, the theoretical score is 35 up to 94. Based on the results of the analysis, the success rate of implementation is 61.00 (score maximum-minimum score). These values show a considerable range, meaning that the success rate score of implementation is very diverse and stratified.

Total score obtained from 200 respondents is 66.555 which means 70.80% ($66.555/94 \times 100\% = 70.80\%$) of the maximum score. The average score 70.80% is pertained as at medium level, it shows that the success rate score of implementation belongs to

the medium. From the data gained, another tendency size such as median 68.00 (score in the data pertengan of 68.00), mode of 70.00 (most frequency score is 70) and variance of 115.09 (the value of the data diversity 115.09).

From the analysis of the results, the frequency of distribution data is presented with 5 categories. The tendency spreading frequency of the implementation success rates score can be seen in the following Table 1.

Table 1 shows result score of implementation of the policy on the creation of business climate, which is at a very high category 3%, at a high category is 31.5%, which is the category is equal to 43.5%, at the low categories of 16.5%, and at very low category is 5.5%. The results showed that the percentage of the implementation success rate policy creating business climate were at very high, high, medium, low and very low categories. However, the data indicated that the implementation of the strategic policy of the creation of the largest business climate there is moderate on the category of 43.5%, and higher categories amounted to 31.5%.

4.1.2. Implementation of the strategic policy environment venture creation

The success rate of implementation of the strategic policy the creation of a business climate by using questionnaire consisting of 21 items which were declared valid, the lowest score for each item is 1 and the highest score is 5. So the theoretic score is 25 up to 96. Based on the results of the study known span implementation success rate of 71.00 (score maximum-minimum score). These values show a considerable range, meaning that score a success rate of implementation is very diverse and stratified.

Total score obtained from 200 respondents is 71.60 means of 74.58% ($71.60/96 \times 100\% = 74.58\%$) of the maximum score. The acquisition value of the average score of 74.58% of those classified as high, this suggests that in general score success rate of implementation is high. From obtaining data retrieved from another tendency size such as median 72.00 (score on the pertengan data of 72.00), mode of 85.00 (score most frequency is 85.00), and variance of 178.85 (the value of the diversity of data of 178.85).

From the analysis of the results, data frequency distribution is presented with five categories. Trends spread frequency score success rate of implementation can be seen in the following Table 2.

Table 2 shows result score of the implementation of the policy on the creation of a business climate, which is at a very low 1% category, which is at a low of 8.5% amounting to category, which is on the category currently amounting to 27.5%, which is at a height of 39% category, and that is on a high category of 24%. The results showed that the percentage of success rate of implementation of the strategic policy of the creation of the business climate at category high, very high, medium, low and very low. Thus it is known that in general the tendency of respondents stated that the appropriate implementation of strategic policy the creation of a business climate that is high.

5. RESULTS OF HYPOTHESIS TESTING

5.1. Strategic Policy Implementation on the Creation of Business Support Facilities

Strategic policy implementation success rate of creation of business support facilities by using a questionnaire consisting of eight items which were declared valid the lowest score for each item is 1 and the highest score is 5. So the score was up to 40. Based on the results of the study known span implementation success rate of 31.00 (score maximum-minimum score). These values show a considerable range, meaning that score a success rate of implementation is very diverse and stratified.

Total score obtained from 200 respondents is 28.26 means of 22.5% ($9/40 \times 100\% = 22.5\%$) of the maximum score. The acquisition value of the score an average of 22.5% were classified as medium, this shows that in general score success rate of implementation belongs to the medium. From obtaining data retrieved from another tendency size such as median 68.00 (score in the data medium of 68.00), mode of 70.00 (score most frequency is 70) and variance is 115.09. The diversity of the data is 115.09). From further research results frequency distribution data are presented in five categories. Trends spread frequency score implementation success rates can be seen in the following Table 3.

Table 3 shows result of score a success rate of implementation of the policy on the creation of the business climate, which is at a very

Table 1: Implementation of frequency distribution policy variable creating business climate

Interval	Category	Frequency	Percentage
84.1-94	Very high	11	3
71.8-83.9	High	33	31.5
56.6-71.7	Medium	87	43.5
47.3-59.5	Low	63	16.5
35-47.2	Very low	6	5.5
Total	200	100	

Source: Primary data

Table 2: Variable frequency distribution implementation strategic policy environment venture creation

Interval	Category	Frequency	Percentage
25.00-39.20	Very low	2	1
39.30-53, 30	Low	17	8.5
53.40-67.70	Medium	55	27.5
67.80-82.00	High	78	39
82.10-96.00	Very high	48	24
Total	200	100	

Source: Primary data

Table 3: Distribution of variable-frequency, strategic policy implementation the creation of facilities supporting the effort

Interval	Category	Frequency	Percentage
9-15.2	Very low	3	1.5
15.3-21.5	Low	11	5.5
21.6-27.8	Medium	60	30
27.9-34.1	High	107	53.5
34.2-40	Very high	19	9.5
Total	200	100	

Source: Primary data

low category 1.5%, which is at the low category of 5.5%, which is at a category of 30%, which is at a height of 53.5% of the category, and that is on a very high category amounted to 9.5%. The results showed that the percentage of success rate of implementation of the strategic policy of the creation of the category effort at supporting facilities is very high, high, medium, low and very low. Thus it is known that in general the tendency of respondents stated that the appropriate implementation of strategic policy the creation of a business support facilities is high.

5.2. The Influence of Strategic Policies Implementation on the Creation of the Business Climate towards the Empowerment of Small Craft Industry

Table 4 shows result of obtained $r = 0.898$ with $P = 0.000$, where $P = 0.05$, then $H_0 < \text{rejected } H_a$ received. It means there is a positive and significant influence between the implementation of the strategic policy of the creation of the business climate against the empowerment of small craft industry.

To find out how big the influence of climatic variables effort towards empowerment, then based on the value of r is obtained i.e. 0.898 , then climatic variables influence the magnitude of the effort towards empowerment is $\text{sq.}, 0.898^2 \times 100 = 80.64\%$. The figure shows that the variable influences the implementation of strategic policies on the creation of the business climate of empowerment is equal to the remaining percent affected by 80.64 variables other than this research.

5.3. The Influence of the Strategic Policy Implementation Environment Creation Effort towards the Empowerment of Small Craft Industry

Table 5 shows result of obtained $r = 0.140$ with $P = 0.049$, where $P = 0.05$, then $H_0 < \text{rejected } H_a$ received. It means there is a significant and positive influence on the implementation of the strategic policy environmental crusade against creation empowerment craft industry.

To find out how big the influence of variable creation environment strategic policy implementation effort towards empowerment, the craft industry based on the value of r is obtained 0.140 then the magnitude of the strategic policy implementation variables influence the creation of environmental efforts towards the empowerment of small craft industry is $0.140^2 \times 100 = 1.96\%$. The figure shows that the magnitude of the strategic policy implementation variables influence the creation of environmental efforts towards empowerment is the craft industry amounted to 1.96%, the rest is influenced by variables other than this research.

5.4. The Influence of the Implementation of Strategic Policies for the Creation of Facilities Supporting Efforts towards the Empowerment of Small Craft Industry

Table 6 shows result of obtained $r = 0.217$ with $P = 0.002$, where $P = 0.05$, then $H_0 < \text{is rejected but } H_a$ is received. It means there is a significant and positive influence on the implementation of strategic policies on the creation of facilities supporting efforts towards empowerment.

Table 4: Test results correlation variable business climate and empowering small businesses and craft industries

Correlations	Business climate	Empowerment
Business climate		
Pearson correlation	1	898**
Significant (two-tailed)		000
N	200	200
Empowerment		
Pearson correlation	898**	1
N	200	200

**Correlation is significant at the 0.01 level (two-tailed). Source: SPSS data analysis

Table 5: The correlation result test of strategic policies implementation on creating business towards the empowerment of small industry

Correlations	Creating business	Empowerment
Creating business		
Pearson correlation	1	140*
Significant (two-tailed)		049
N	200	200
Empowerment		
Pearson correlation	140*	1
Significant (two-tailed)	049	200
N	200	

*Correlation is significant at the 0.05 level (two-tailed). Source: SPSS data analysis

Table 6: Test results correlation variables implementation effort facilities creation of strategic policy towards the empowerment of small craft industry

Correlations	Supporting efforts	Empowerment
Supporting efforts		
Pearson correlation	1	217**
Significant (two-tailed)		0.002
N	200	200
Empowerment		
Pearson correlation	217**	1
Significant (two-tailed)	0.002	200
N	200	

**Correlation is significant at the 0.01 level (two-tailed). Source: SPSS data analysis

To find out how big the influence of climatic variables effort towards empowerment, then based on the value of r is obtained i.e. 0.217 . Then the magnitude of the strategic policy implementation variables influence the creation of the business climate towards the empowerment of small craft industry is $0.217^2 \times 100 = 4.55\%$. The figure shows that the magnitude of the strategic policy implementation variables influence the creation of environmental efforts towards the empowerment of small craft industry is 4.55%, the rest are influenced by variables other than this research.

5.5. The Influence of Implementation Strategic Policy the Creation of a Business Climate, Strategic Policy Implementation Environmental Efforts and the Creation of Strategic Policy Implementation, the Creation of Supporting Facilities Efforts towards the Empowerment of Small Craft Industry

Table 7 shows result of obtained that $r = 0.899$ with $P = 0.000$, where $P = 0.05$, then $< H_0$ is denied. It means there is a positive

Table 7: Results of the test variables implementation strategic policy the creation of a business climate, business environment and a supporting effort towards empowerment craft industry

Model summary				
Model	r	r ²	Adjusted r ²	Standard error of the estimate
1	899 ^a	808	805	3.20915

^aPredictor: (Constant), supporting effort, business climate, business environment.
Source: SPSS data analysis

and significant influence among business climate, business environment and business support facilities of empowerment.

To find out how big the influence of variable implementation strategic policy the creation of a business climate, strategic policy implementation environmental efforts and the creation of strategic policy implementation the creation of supporting facilities simultaneous efforts towards empowerment, based on the value of r^2 obtained then the magnitude of the strategic policy implementation variables influence the creation of the business climate, the implementation of the strategic policy environment venture creation and implementation of strategic policy creation facilities supporting efforts towards the empowerment of craft industry is $0.808^2 \times 100 = 65.29\%$. The figure shows that the magnitude of the strategic policy implementation variables influence the creation of the business climate, the implementation of the strategic policy environment venture creation and implementation of strategic policy creation facilities supporting efforts towards the empowerment of 65.29% remainder was influenced by other variables.

5.6. Effect of Strategic Policy Implementation on Climate Business Creation towards Small Craft Industries Business Empowerment

Based on the results of the descriptive analysis conducted on the creation of strategic policy implementation variable business climate influence on the empowerment of small business industrial craft, it was found that the implementation of the strategic policy creation craft industry business climate at the high category. While based on the hypothesis that the effect of the implementation of the strategic policy creation of the business climate for small business industrial craft empowerment analysis results H_0 is rejected and H_a accepted. This means that there is a positive and significant effect of the implementation of the strategic policy creation of business climate for small business industrial craft empowerment.

Furthermore, by taking into account the results of both analyzes based on the results of the descriptive analysis using frequency tables and the results of correlation analysis, it can be said that the small business climate craft industry in Ambon very conducive, because the local government or related agencies namely the Department of Cooperatives and SMEs and other agencies have done empowerment policies are adequate. Policies are being made to improve the business climate, among others: (1) funding, (2) facilitate the partnership, (3) business information, (4) ease in the business licensing, (4) help support facilities, (5) entrepreneurial management training, (6) dissemination of intellectual property rights (IPR).

5.7. Creation of Environmental Policy Implementation Strategic Business Small Business Empowerment towards Industrial Craft

Based on the results of the descriptive analysis conducted on variables influence the creation of strategic environmental policy implementation efforts towards the empowerment of small business industry crafts in Ambon city, it was found that the implementation of the strategic policy creation craft industry business environment at the high category. While based on the hypothesis that has been stated previously that the effect of the implementation of the strategic policy creation of a business environment to empower small businesses craft industry analysis results H_0 is rejected and H_a accepted.

It means that there is a positive and significant effect of the implementation of the strategic policy creating business environment to empower small business of industrial craft. Moreover, these findings indicated that the business environment is getting better with more conducive Ambon in terms of the situation. It highly supports small business industrial craft. Many small business industrial craft cannot be trying to stay calm if the business environment plagued with security condition is not conducive.

In fact there are many SMEs failed because the owner of the company when he established the company did not pay attention to the business environment in which choosing the place of business away from the economic environment, so that consumers cannot reach the company to see the product. However, although the business environment that is far from the community is not a problem if the company or small industry promotion craft can carry out a planned, active and continuous.

Promotion is an important activity in the effort to introduce the products to consumers. Because if they do not hold the promotional products are not known and seen people and products will not be sold in the market, what kind of business generated is similar business. Mas'ud, (2008) argues that the promotion can help introduce a new product or turn the business over time to reinforce the message and image advertising, creating brand appeal among consumers and provide a new channel to reach audience segments.

Consumers will be easier to choose to be shopping at a business location close by the road, easily accessible and support transportation access. Even further, then to introduce their products to the consumer need regular and systematic arrangement according to the business environment through distribution through the store or kiosk nearby have access to a place that is easily accessible by local communities, especially consumers.

The results showed that in an effort to introduce the small business products, special Ambon city government Department of Cooperatives and SMEs to help implement trade promotion through the following activities: (1) includes SMEs in the event starring on each anniversary of Jakarta, (2) sending SMEs in activity tower SME (Small Medium Interpraices) tower, (3) send a small business in the event exhibition of small business of the Moluccas to the Netherlands.

This can be done because more and enabling business environment. The results are consistent with what is proposed by Madura (2007) that the success of a business is generally dependent on the business environment. Even after a business is created, entrepreneurs and managers must continue to monitor the environment so as to anticipate how the demand for its products or product production costs change.

5.8. Creation of Strategic Policy Implementation Support Facility Business Small Business Empowerment towards Industrial Craft

Based on the results of the descriptive analysis has been stated earlier that business support variable influence on the empowerment of SMEs in the city of Ambon, the results of descriptive analysis at the high category. From the results of correlation analysis H_0 is refused while H_a is accepted. This means that there is a positive and significant influence of business support facilities for business empowerment craft industries.

Many entrepreneurs of small industries overlook the supporting facilities. In terms of the support facilities that support would also encourage workers or employees to work in a quiet, safe, and comfortable. Employers who do not pay attention to business support equipment mainly impacted on the number of products produced will be limited and cannot compete with other products that are imported by entrepreneurs from outside the area.

Results of previous studies published in the Journal of Cooperatives and SMEs Assessment No. 1 in 2006, states that the most important factor that business support is technology. Generally, SMEs today use conventional business support technology that is widely used by SMEs provide weaknesses are: (1) low productivity, (2) the difficulty of product innovation, (3) the low quality of the product, (4) decreasing labor motivation, (5) no funds to have a lack of information and understanding as well as entrepreneurs will thrive and technologies available in the market.

To overcome these problems, the government and employers can build a business partner with other businesses, the benefits that occurs exchange of information and new technology tools to convert the resulting product. Even if the same products but differ in quality. In the meantime it is necessary to introduce the promotion of products produced, because the results showed no significant effect of business support facilities to business empowerment.

To implement the policy creation of business support facilities as mandated by Act no. 20 of 2008, the creation of policy support facility is realized by the Department of Cooperatives and SMEs, among others: (1) provide a fleet of motor paste for the fishermen, (2) provision of workshops for small business industrial craft, (3) build a sell/kiosk for small businesses, (4) provide tents for street vendors (PKL), (5) provide assistance to the merchant tents culinary walking at night.

6. CONCLUSION AND SUGGESTIONS

1. One of the policies in order to increase the empowerment of SMEs is the creation of the conducive business climate. These

efforts have a positive impact by contributing to the influence of the small business in Ambon by 80.64%. This figure is included in the high category for by the local government has implemented several policies in order to create a conducive business climate. These policies include: (1) funding, (2) facilitation of partnership, (3) business information, (4) ease in the business licensing, (5) help support facilities, (6) training entrepreneurial management, (7) dissemination of IPR. The positive impact of these policies is the business climate in Ambon more conducive to SMEs can move safely and comfortably.

2. Policies creating the business environment is an important factor in advancing the business. The magnitude of the effect of the business environment for business empowerment is 1.96%. This figure shows the effect of the low to the empowerment of small and medium industries crafts. However, although the effect is low but still a positive impact on the environment of small and medium industries crafts. The existence of a conducive business environment has encouraged employers to move safely, comfortably and controlled.
3. The creation of policy support facilities is an important factor and positive impact on the development of small and medium industries crafts, because the complete business support facilities so employees can work well. The magnitude of the effect of the provision of business support facilities to empower operations amounted to 4.55%. This figure is also low but still affect positive for the development of SMEs. Creation Policy Support Facility has been implemented by the Government of Ambon City Department of Cooperatives and SMEs side through: (1) provide fleet Motor Paste for the Fishermen, (2) provide workshop facilities to small business industry crafts, (3) establish a selling/kiosk for small businesses, (4) provide tents for street vendors (PKL), (5) provide tents for merchants culinary walking at night. The provision of such assistance is to encourage a more conducive business climate.

Referring to the conclusions above, some suggestions of this research are as follows:

1. Giving the business climate in the city of Ambon is more conducive to the involvement of local government with various policy set, then this aid should be realized also to the small business and others to improve the economy in the area.
2. Giving the business environment influence on the empowerment of SMEs, the local government can provide a special location, to be a place that can accommodate the operating results of the craft industry. In other words, the arrangement of a local government should ensure that all products produced by the Small Industries can be marketed at a particular location.
3. Within the framework of improving the business climate conducive, the availability of business support facilities need attention from both the company and the local government leaders.
4. The local government can play a leadership role along with SMEs in the city of Ambon to maintain a conducive business environment.

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