

Entrepreneurial Leadership: Examine the Dominant Character of Regional Leader in Reducing Poverty, Inequality, and Unemployment (Case Study in Kulon Progo and Bantaeng Local Government)

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Abstract. Transformation the implementation of innovative local government starting from Entrepreneurial Leadership (EL). Therefore, it is important to examine the implementation of EL model as a locomotive regional change in Indonesia. This study aims to determine the success factors for the application of EL in overcoming the problems faced by local governments, namely: poverty, inequality, and unemployment. The research locus is in Kulon Progo Regency (western Indonesia), and Bantaeng Regency (Eastern Indonesia). Descriptive qualitative research methods are used, and to obtain more data & information by visiting the two regions. To be more comprehensive and to achieve a valid degree of the data, in-depth interviews and data cross-checking are not only from local government elements, but also involving the community, NGO's, and the private sector. The results showed that the focuses of EL application model in Kulon Progo Regency are ideological visionary; quickly mastered the problem; focus on opportunities, and; encouraging new ideas. On the other side, the EL model in Bantaeng Regency focuses on controlling synergy; clear vision; high supervision and appreciation; and dare to take the risks. The difference in the dominance of EL characters is derived from the different conditions and situations in the two regions.

Keywords: Entrepreneurial Leadership, Innovation, Local Government, Regional Development

1 Introduction

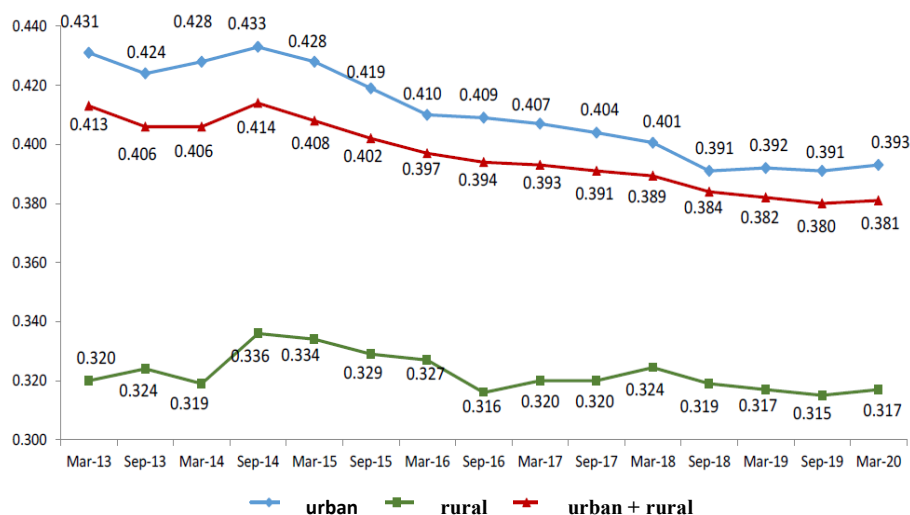
Since the enactment of laws covering regional autonomy in 1999, up to now there have been two changes. Firstly is in 2004 and secondly is in 2014. These changes resulting in a shift in the implementation of public administration practices in Indonesia. From the beginning, it adopted the principle of centralization, and now it shifted to the principle of decentralization. In the Report of the Expert Staff of the Minister of National Development Planning/ Bappenas for Equality and Territorial Affairs [1], decentralization is characterized by two main elements. First is the formation of autonomous regions and secondly, there is the transfer of government affairs to these autonomous regions. So, this is what became known as local government. Referring to Law No. 23 of 2014 concerning Regional Government, it is hoped that with the existence of autonomy, the welfare of society will be realized more quickly. Regional management by local governments in the context of autonomy will boost regional competitiveness. Local governments are thought to know how to manage their territory by

utilizing local wisdom, resource potential, innovation, and the active participation of the community.

One of the keys to realizing the aspirations of people's welfare is equal distribution of income, and measured by a low income inequality rate [2]. Therefore, the use of the Gini Ratio Index is also recognized and applied in Indonesia. Furthermore, in Hindun's research [2], it is stated that there are at least three problems affecting income inequality, namely: poverty, unemployment, and education. However, based on the preliminary study conducted, that the average level of education in Indonesia was quite high, between 98% - 99%, the problem of education was excluded from this study. There are two remaining problems faced by local governments in Indonesia, namely poverty and unemployment, which ultimately causes the inequality rate to remain high.

The time series Gini ratio data for the last eight years (2013-2020) shows the fluctuating Gini Index numbers ranging from 0.3 - 0.4, which means that the inequality that occurs is still quite high, as seen in Graph 1:

Graph 1. Development of the Gini Ratio, March 2013 - March 2020



(Processed from BPS Susenas Data, 2020)

Another study from Cysne and Turchick [3], suggests that an increase in unemployment has an adverse impact on income inequality. According to BPS data (2019), the average Open Unemployment Rate (TPT) in August 2019 was 5.28. However, out of 34 provinces, there are 12 provinces that have TPT levels above the national average as shown in table 1:

Table 1. 12 Regions in Indonesia with the Highest Open Unemployment Rate in August 2019

No.	Province	UnemploymentRate
1	Banten	8,11
2	Jawa Barat	7,99
3	Maluku	7,08
4	Kepulauan Riau	6,91
5	Sulawesi Utara	6,25

No.	Province	UnemploymentRate
6	Papua Barat	6,24
7	D. K. I. Jakarta	6,22
8	Aceh	6,20
9	Kalimantan Timur	6,09
10	Riau	5,97
11	Sumatera Utara	5,41
12	Sumatera Barat	5,33

(Data processed from BPS, 2019)

On the other hand, the problem of poverty is not in line with regional development. Regional economic growth is often not matched by a reduction in the poverty rate. At least research from Hassan et al. [4] in Pakistan, illustrates that in the long term poverty will result in income inequality.

There are various governance problems faced by local government in the context of regional autonomy and implementation of the principle of decentralization. Currently, local governments (governors / regents / mayors) are not only required to provide basic services. Local government leaders according to Garnida et al. [5], are also required to be able to mobilize and direct every member of society and all local government employees to achieve the success of local government goals in improving the life and welfare of the community.

Currie et al. [6] introduced the term regional leaders who have an entrepreneurial way of thinking and character called "Entrepreneurial Leadership" (EL). Furthermore, EL is a regional leader who is able to respond to opportunities quickly and accurately, is able to make decisions and calculate possible risks that will arise, encourages public sector innovation performance, has the ability to adapt to change, and is oriented towards the community at large in resource management.

Very interestingly, He [7] in his thesis categorizes the characteristics of entrepreneurs and leaders and combines the two from the results of his research, as in table 2:

Table 2. Characteristics of Entrepreneurial Leadership

Ranking	Personal characteristics that appear most frequently		
	Common characters in entrepreneurs and leaders	Characteristics of entrepreneurs	Characteristics of Leaders
1	Vision	Risk-taking	Ability to motivate
2	Passion	Passion	Integrity
3	Integrity	Creative/ innovative	Vision
4	Self-confidence	Resilience	Decisive
5	Ability to motivate	Vision	Inspirational
6	Decisive	Persistent	Passion
7	Resilience	Opportunity-oriented	Optimistic
8	Sociable	Self-confidence	Self-confidence
9	Intuitive	Integrity	Diplomatic
10	Flexible	Ambitious	Performance-oriented

(He [7])

Seeing the development of discussions on entrepreneurial leadership to date, the concept is still considered relevant as a modern leadership solution in the 21st century. Currently, global

complexity and change are happening so fast. The spirit and mindset of an entrepreneur is very important for large organizations as well as for smaller organizations [8]. This is because changes in the work environment require a new leadership style model [9], which is able to encourage other people to take action and change towards a better direction [10].

Furthermore, Greenberg et al. [10] divides entrepreneurial leadership into three principles. First, is cognitive ambidexterity. Where entrepreneurial leadership is the ability to maximize cognitive skills to learn how to combine the ability to predict and the ability to create in the process of making a decision. Therefore, a leader with an entrepreneurial character must learn how to create the future through action and experiment. Second, is the responsibility and social, economic and environmental sustainability (Social, Environmental and Economic Responsibility and Sustainability (SEERS)).

Entrepreneurial leadership is a comprehensive way of thinking, to be able to synergize social, environmental and economic aspects. Therefore, decisions and policies produced by a leader with entrepreneurial character can be more accountable and of course long-term. The third is the principle of self and social awareness. In entrepreneurial leadership, understanding yourself becomes a necessity. A leader must understand the goals he will achieve. So that the influence from other parties can be managed properly, and the decisions taken will be more effective.



Fig. 1. Three Principles of Entrepreneurial Leadership
(Greenberg et al. [10])

Indonesia has many regional leaders. However, there are still few regional leaders who have entrepreneurial leadership characteristics. In this article, two areas have been proven to reduce regional governance problems such as poverty, unemployment and inequality. This area is Bantaeng Regency as a representation of the regions in Eastern Indonesia, and another one is Kulon Progo Regency as the representation of the West Indonesia region.

The purpose of this article is to show the leadership model in these two areas, and to see what dominant characters are associated with the entrepreneurial character of leadership. The hope to be achieved is the finding of a dominant character that represents the character of

entrepreneurial leadership. Therefore, it can be used as policy material for other regional leaders.

2 Method

This research uses a qualitative approach with a descriptive analysis method. The data used are grouped into two, namely primary and secondary data. Primary data was obtained through direct interviews (in-depth interviews) or through focus group discussions (FGD) with selected key informants related to regional entrepreneurial leadership. The key informants in question are Regional leaders, Heads of Agencies (OPD) related to the focus of the study, NGOs, the private sector, and the community. This research also uses literature study which is conducted by collecting and studying secondary data from reports, books, journals, research results, and other information that supports this study.

In order to be more focused, research boundaries were made. These boundaries are made to ensure data coherence through a clear and relevant focus. In this study, regional entrepreneurial leadership will be focused on studying leadership models in Bantaeng and Kulon Progo Regencies. The model studied is in building strategies and systems as an effort to solve the problems of inequality, poverty and unemployment.

3 Result and Discussion

3.1 Characteristics of entrepreneurial leadership in Kulon Progo Regency

Poverty is a crucial problem, and until now. The main focus of the Kulon Progo Regency Government is to reduce the poverty rate from year to year. In addition, the level of population inequality in Kulon Progo still indicates that although economic growth can be achieved high, if the gap is high, poverty will slowly decline. Therefore, the regional leadership carried out by Hasto Wardoyo as a regional leader in the first period in (2011-2016) and in the second period (2017-2022) still adheres to solving the problem of poverty and inequality in the regions. The high poverty rate at the beginning of his tenure of up to 24%, almost even touching 25%, made him sad and strengthened Hasto Wardoyo that poverty must decrease every year.

Finally, through the various policies produced, Kulon Progo Regency currently has the lowest level of open unemployment among other regions in Yogyakarta Province. In addition, until the end of Hasto Wardoyo's first term in office, the poverty rate in Kulon Progo continued to decline. Until now in 2018 the poverty rate has reached around 18%.

From the results of the initial identification of problems in the regions, the policies taken begin to run in a planned system, and their implementation is guarded according to the prevailing laws and regulations. There are at least four models of regional entrepreneurial leadership that have been implemented to bring Kulon Progo Regency to reduce the poverty, inequality, and unemployment gap properly, namely:

3.1.1 Ideological visionary

The leadership model adopted by Hasto Wardoyo as a regional leader in Kulon Progo Regency starts from the awareness that the challenges of life in the future will be tough if the

people of Kulon Progo remain with their current conditions. Without a change in the mindset of the poor themselves, their behavior will still result in conditions of poverty. Hasto Wardoyo as a regional leader described this as a “mental condition model for the poor”.

therefore, as a regional leader, what is needed is a far-reaching vision that can be translated into real action through programs and activities. This vision not only solves problems but also builds strong character that can be implemented by all components of the Kulon Progo community. In addition, the regional leadership model offered by Hasto Wardoyo is visionary leadership based on ideology.

The concept of ideological visionary leadership is manifested through the practice of people's economy through three pillars, namely BUMD, Cooperatives, and Private. BUMD has the task of controlling production branches that control the lives of many people, while cooperatives have the task of organizing people's businesses into large and modern businesses as the pillars of the economy. For the private sector, they can still run their business in the regions, but they should not enter into businesses whose production branches control the lives of many people as BUMD does.

3.1.2 Quick to get over the problem

Armed with his experience as a doctor, Hasto Wardoyo often uses the doctor-patient examination model when making policies to serve the Kulon Progo community. The method of diagnosis in medicine was brought in to diagnose problems in Kulon Progo. Furthermore, it can be determined the type of treatment or treatment in accordance with the existing problem. The philosophy is that not all diseases can be cured, but in the process of providing services, it is mandatory to satisfy patients who request medical services. Therefore, not all regional problems can be resolved in a fast time, but services to the community will be carried out seriously to satisfy the people who ask for services.

From the mastery of the problem that is carried out quickly, it is concluded that the development model that will be implemented in Kulon Progo is ultimately through the spirit of regional independence, by promoting empowerment. The choice is with the priority of economic independence.

3.1.3 Focus on opportunities

The next regional leadership character model is Leadership that focuses on opportunities, based on regional potential and capabilities. This character is not owned by many regional leaders completely. This means that in terms of ideas, there may be many who have it, but in order to be able to execute ideas of opportunities that may have added value for the region, not all regional leaders can do it. Only leaders who are focused and serious about working on opportunities are able to run it, so that the characteristics of regional leadership that focus on opportunities have two main subjects, namely "ideas (abstract) and idea execution (concrete)" in one individual leader.

Great opportunities in the regions that have emerged after the transfer of the airport from Adisucipto to Yogyakarta International Airport (YIA) in Kulon Progo have resulted in various policies that have an impact on improving the regional economy. There are at least four big opportunities in Kulon Progo which are currently focused on being developed by regional leaders through various regional strategic policies, namely: Yogyakarta International Airport (YIA), Borobudur National Tourism Strategic Area (KSPN), Industrial Area, and Fishery Port. Through a leadership characteristic model that focuses on opportunities, at least for the potential for the airport, it has succeeded in terms of filling in human resources from within

the Kulon Progo area and also the opportunities for developing tourism areas and the potential of SMEs that are offered along with the development of KSPN Borobudur.

3.1.4 Encourage the presence of new ideas

The three characteristics of regional leaders in Kulon Progo Regency that were previously mentioned are complemented by one characteristic of regional entrepreneurial leaders known as creative and innovative characters, which are able to inspire and encourage the birth of new ideas in the region. Most of the new ideas / ideas that exist in Kulon Progo are purely from the thoughts of the regional leaders who have received support from the bureaucracy and also the community at the level of implementation.

The change that is expected from the ideological vision of the regional leadership in Kulon Progo is a change that is not only in the form of innovation in a spectrum of the same perspective (normal science), but rather changes that result in innovation that can lead to a new perspective or known as "revolution". The creative and innovative character that gave birth to new ideas attached to regional leaders in Kulon Progo was strengthened by the "Bela Beli Kulon Progo" movement. The activity which began with a joint pledge between all stakeholders in Kulon Progo Regency was carried out so that all members of the community and all components in Kulon Progo would love and want to buy local products produced by the Kulon Progo people themselves. Therefore, it will increase people's income and provide multiple effects on the regional economy.

3.2 Characteristics of Entrepreneurial Leadership in Bantaeng Regency

Previously, the condition of Bantaeng Regency was still overshadowed by poverty and high unemployment, low fiscal capacity of local governments, as well as poor urban and rural infrastructure. However, in the hands of Nurdin Abdullah (2008-2018), this condition can be overcome and bring prosperity to the community. With the limited budget owned by the Bantaeng Regency Government, Nurdin Abdullah's leadership abilities have encouraged the running of several programs that were launched successfully without burdening the APBD.

Carrying out his duties as a regional leader, Nurdin Abdullah can be described as a successful local entrepreneurial leadership figure. The main problems faced by Bantaeng Regency previously were able to be overcome within the span of his leadership. Poverty and unemployment can be reduced, economic growth has increased significantly, "hot mix" quality road infrastructure to remote villages is fulfilled, clean and green urban planning, increased PAD and APBD, as well as agricultural, tourism and industrial sectors that are able to develop, which was declared successfully without burdening the APBD.

Poverty is a major development concern in Bantaeng Regency. The poverty rate was quite high in 2007, reaching 12.12%, thus placing Bantaeng Regency as one of the underdeveloped areas by the Ministry of Villages and Disadvantaged Areas. However, since 2008 the poverty rate has decreased and even reached 8.89% in 2012. The success of the development program promoted by Nurdin Abdullah has had an effect on reducing poverty and increasing employment.

The development achievements of Bantaeng Regency were dominantly influenced by Nurdin Abdullah's leadership, which was different from his previous leadership. Some of the dominant characters that reflect the character of entrepreneurial leadership are:

3.2.1 Control the synergy

Synergy is also the key word for Nurdin Abdullah's leadership. Every development policy is carried out in an integrated manner, in collaboration, and in mutual cooperation with all

Regional Officers Organizations (OPD). The principle of good team-work based work has become a work culture that is quite inherent in the Bantaeng Regency Government. Bantaeng district, under the leadership of Nurdin Abdullah, "undermines" this stigma by presenting a culture of working together in synergy that is instilled in all existing regional instruments. With a fairly limited amount of APBD, working together is the key to being able to efficiently and effectively build Bantaeng Regency. With a working pattern with a strong team-work, each agency can work hand in hand to help the achievement of a certain sector by relying on the scope of duties under its authority, so that the success of a particular sector is the success together of all elements of the regional officers.

3.2.2 Clear vision

Nurdin Abdullah set a vision for the development of Bantaeng Regency in his 10 years of leadership with two systematic mid-term development stages. The vision that was announced was explained to all leaders of the regional apparatus and also opened an open dialogue to explain to the public about the desired future direction of Bantaeng Regency. This is done so that both the bureaucracy and the public understand and support the direction of development that is and will be implemented.

The two periods of Nurdin Abdullah's leadership have set a sustainable vision, starting from strengthening the village so that it can become independent to becoming a growth center in the southern part of South Sulawesi Province. With a clear future vision accompanied by a bureaucratic work culture that is always in synergy, the achievement of development goals can be realized optimally. Many important breakthroughs were made during Nurdin Abdullah's leadership in Bantaeng, some of the most prominent and nationally recognized including the establishment of the Disaster Alert Brigade (BSB), Bantaeng Industrial Park, coastal revitalization, and the idea of building a check-dam to deal with annual floods. Not only that, Nurdin Abdullah often presents innovative challenges to the heads of regional apparatus to make this happen, such as simplifying licensing procedures, planting Japanese taro and flowers, making the streets of Bantaeng City clean, green, and free of roaming livestock, and so on. These innovative ideas are not just imaginative ideas or concepts, but can be realized in a real way and provide a new "atmosphere" that has never existed before.

3.2.3 Supervision and high appreciation

Nurdin Abdullah's activities, which are mostly outside the office, to tour Bantaeng, are also an effort to monitor the follow-up progress of the instructions previously given and to see the quality and quantity of work produced by his employees. This condition in turn encourages every head of regional apparatus to remain alert at all times to respond to any questions and instructions from the regent. In addition, because of direct control in the field, the leaders of regional apparatus always carry out the work that is their responsibility seriously and always report the progress of their work. People can also easily complain about all problems directly to Nurdin Abdullah.

Nurdin Abdullah is also known to be happy to give his appreciation for the performance produced by his officials. This appreciation is given to employees (both leaders and staff) who show their best performance. No half-heartedly, the appreciation is given in the form of overseas assignments, promotions, being used as role models for other organizations, given awards, and so on. The strict supervision carried out (one of which is by blusukan into the field) is also to ensure that appreciation is worthy of being given to those who have worked hard and optimally. Nurdin Abdullah's level of trust in employees who perform well is also quite high. The leadership of the superior regional apparatus is often transferred to a particular

regional apparatus to make improvements and increase the performance of the regional apparatus.

3.2.4 Dare to take risks

The challenges faced by Nurdin Abdullah in the first period of leadership can be considered quite heavy, there are many criticisms of the policies carried out, such as carrying out coastal revitalization which costs quite a lot of money, construction of check-dams amid news of dam collapse in other areas, then efficiency of bureaucratic budgets, and others. However, everything is still carried out according to the existing program and schedule while still providing explanations and socialization to the public of the importance of the program being implemented and its benefits for the community and Bantaeng Regency.

Finally, in general, the authors consider that the local entrepreneurial leadership model developed by Hasto Wardoyo in Kulon Progo Regency and Nurdin Abdullah in Bantaeng Regency as explained above has constraints on place and time, so that this model can be successfully implemented only in Kulon Regency Progo and in Bantaeng Regency and in certain periods only. Replicating the model in other areas, or applying it to more developed societies, the results may be different (either success or failure).

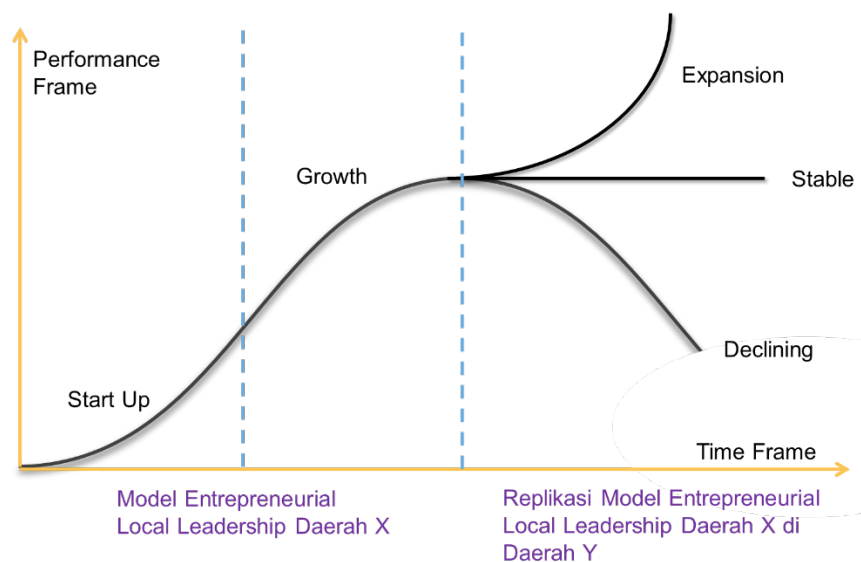


Fig. 2. Limitations Analysis of the Application of Entrepreneurial Local Leadership Model (Researcher-modified analysis of the Business Life Cycle Model, 2019)

In addition, the people of Kulon Progo Regency and Bantaeng Regency have obtained criteria or examples of good leadership, so that the leadership afterwards must resemble the previous leadership model or even better. This is because the public will often compare the capacity of leaders before and after leaders because they already have real experience of previous outputs and outcomes. Therefore, a generic framework of local entrepreneurial leadership model is needed to be applied at other times and places. Several basic requirements (prerequisite) need to be arranged so that the implementation of entrepreneurial local leadership shows optimal results.

4 Conclusion

The local entrepreneurial leadership style is different for each regional leader. Replicating the entrepreneurial leadership style of a regional leader can be successful and may also fail, depending on the social, cultural, and economic responses faced. Therefore, with the framework of a generic local entrepreneurial leadership model, regional leaders can do the mapping and adjustments first.

However, what is more important is the effort to instill a local entrepreneurial leadership model in all regional Officers Leaders (OPD). Therefore, at the managerial-sectoral level there is also a continuity of mind-set or ways of thinking and acting according to the character of local entrepreneurial leadership. Dynamic regional leadership certainly demands a high degree of adaptation from the leadership of the regional officers in responding to changes in policies and the direction of regional development in the sectors they lead. Furthermore, the ability or competence of entrepreneurial local leadership is crucial and needs to be taught through training and development methods.

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