

Subjective Welfare on Micro-Scale Entrepreneurs in Yogyakarta Viewed from Social Support Colleagues

Sowanya Ardi Prahara

Psychology Department, Mercuru Buana University, Yogyakarta
sowanya_hara@yahoo.com

Abstract In the middle of the declining of formal employment and the decreasing of ideal positions in the working fields, entrepreneurship becomes an interesting topic to talk about. In Indonesian economy, micro and small-scale enterprises are classified into the real sector which has a high resistance against the global crisis. This study was conducted to obtain empirical evidence, whether social support from colleagues has a positive and significant impact on subjective welfare of micro and small entrepreneurs in Yogyakarta. The subjects of this study were the micro-scale entrepreneurs living in Yogyakarta as many as 70 people by the criteria that are pursuant to the Regulations Number 9 Year 1995 about Small-scale Business. The method of data collection used scales; Scale of Subjective Welfare and Scale of Colleague Social Support, while the method of hypothesis testing used the correlation of Product Moment proposed by Karl Pearson. The results of analysis showed $r = 0.379$ ($p < 0.01$) which indicated that there was a significant relationship between social support from colleagues and subjective welfare of micro and small-scale entrepreneurs in Yogyakarta. $R^2 = 0.144$ means that social support from colleagues contributed 14.4% to the subjective welfare of micro and small-scale entrepreneurs in Yogyakarta. While 85.6% were influenced by other variables.

Keywords: subjective welfare, social support colleagues, micro-scale entrepreneurs

Introduction

In the middle of the declining of formal employment and the decreasing of ideal positions in the work field, entrepreneurship becomes an interesting topic to talk about. Both in Indonesia and in other countries, the role of the entrepreneurs are getting stronger. This is the reason why Larry C. Farrell in his book "The Entrepreneurial Ages" called the 21st century as the Entrepreneurial century (in Sutomo, 2007).

According to the World Economic Forum, a nonprofit institution founded by the world's top 1000 companies in Geneva, entrepreneurship is an essential driving force for economic and social progress of a country. Rapid growth of many companies cannot be separated from their entrepreneurial role which is rated as a source of growing innovation, productivity, and employment opportunities. Therefore, according to this institution, there are many countries which actively promote entrepreneurship programs through various forms of support from the country (www.paudni.kemdikbud.go.id). In his research report (2011) entitled "The Global Entrepreneurship and Successful Growth Strategies of Early Stage Companies", it is showed that 1% of the total of 380,000 world's top companies in 10 countries contributed 44% of their income to the state and 40% contributed to offer new employment. 5% of the top companies contributed 72% of their total wage and 67% of employment (www.paudni.kemdikbud.go.id).

A Sociologist, David McClelland notes that a country can reach a prosperous life if there are at least 2% entrepreneurs from the population. Singapore has already reached about 7.2% entrepreneurs of the population; while in 2001, Indonesian entrepreneurs were just 0.18% of the population who rule the entrepreneurial world (www.paudni.kemdikbud.go.id). In Indonesian Economy, Micro, Small and Medium-

scale Enterprises (MSME) is the most abundant business group run by Indonesians. MSME is classified into the real sector of the economy which has a high resistance against the global crisis. MSME can help accelerate the pace of economic growth for this sector will absorb many labors. This is in line with what is noted by Joseph Alois Schumpeter, an American economist, that the economic growth of a country is strongly influenced by entrepreneurship where MSME belongs to (Winardi, 2008). When looking at the data taken from the BPS (Statistic Bureau) in 2007, Indonesia has 52.1 million micro-scale enterprises engaged in various sectors that are crucially potential to increase the economic growth, said the Minister of Cooperatives, Small and Medium-scale Enterprises, Syarifuddin Hasan. The Ministry notes that from about 52 million MSME that exist in the country, 60% of the businesses are run by women (www.depkop.go.id).

The lesson could be potentially drawn from the entrepreneurs, especially in Yogyakarta who have started and run their business. As an entrepreneur, it becomes something that needs to further be studied in order to know and to learn what makes them have a powerful intention to choose a life as an entrepreneur and feel the enjoyment of life by becoming entrepreneurs.

Review of Related Literature

Satisfaction or happiness in life is regularly referred to as subjective welfare. Diener and Lucas (1997) state that subjective welfare is a self-evaluation regarding cognitive considerations about life satisfaction and emotional reaction to a situation, mood and judgment on one's life. Furthermore, they point out that people who have a high life satisfaction will often feel happy in their life than the people who have a low life satisfaction. Therefore, these people tend to have a high subjective welfare. According to Cummings (1997), people who have a high quality of life will experience their subjective welfare. Subjective welfare is the people's judgment about their life that they are more satisfied and happier and they rarely experience unpleasant feelings. This condition is indicated by their feeling of happiness which is higher than the feeling of unhappiness, and they express satisfaction to their life (Diener in Philips, 2006).

Subjective welfare is divided into two; positive feeling and negative feeling. The first is the positive feeling which refers to the notion that a person feels vibrant, active and alert. High positive feeling is characterized by high energy, concentration, and comfort; whereas, low positive feeling is marked by grief and exhaustion. The second refers to the negative feeling of tension and discomfort as a result of the kinds of unpleasant moods like angry, being debased, being disliked, guilt, fear and anxiety (Myers, 2003). According to Eddington and Shuman (2005), the subjective welfare consists of four components, namely; experiencing positive feelings regularly, experiencing negative feeling infrequently, satisfied with life generally, satisfied with certain aspects of life like work, family, leisure time, health, finance, with himself and his group.

Diener (1984) states that there are two factors influencing the subjective welfare; bottom-up and top-down factors. The bottom-up factor comprises outside events, situation and the demographic influence surrounding one's life. The top down factors are as follows; (1) Attitude, which is a person's perspective in understanding a situation, (2) Value of life, which is a set of values guiding the individual to live a life, (3) Goal, which fits between the goals of life and the attainment, and (4) Personality.

Sahrah et al., (2014) have conducted a research on prisoners in Jail Class IIA Yogyakarta. They find out that the factors of religiosity, self-confidence, the meaningfulness of life, emotional maturity, social support, perception of the physical condition of the environment, and coping strategy are the components that would affect the subjective welfare of the prisoners. Johnson and Johnson (1991) state that social support is the exchange of various resources in order to improve the welfare and the existence of other people who can be relied on to ask for help, encouragement, acceptance, and thoughtfulness and when we face difficulties. Social support can be defined as a sense of acceptance, caring, appreciation or assistance received by a person from other people or group (Sarafino, 2004).

Sarason, Levine, and Bhasam (1983) state that people who obtain a high social support will run their life positively and they will have a higher self-regard, a better self-concept and a lower anxiety level.

Furthermore, people who get a social support also have an optimistic outlook in their life. This optimistic outlook, for instance in his work, is one of indicators of the subjective welfare.

Social supports from meaningful sources for micro-scale entrepreneurs are in the form of advice, suggestion, and information. Hidayati (2012) states that social support from colleagues is one of the factors contributing to the increase of subjective welfare. The support from colleagues has a very powerful impact on entrepreneurs in solving the problems and obstacles when running their business. House and Khan (in Choen & Syme, 1985) distinguish four types of social support, namely: (1) Emotional support. This aspect includes the expression of empathy, concern, and care to the people that we support. This support provides a sense of comfort, peace of heart, and feeling loved for someone being supported. (2) Appreciation support. This aspect comes from a positive appreciation for the people we support, encouragement or agreement with ideas or feelings of the people and positive comparison of someone to others. (3) Instrumental support. This aspect includes direct assistance that could be in the form of services, time, and money. (4) Informative support. This aspect includes giving advice, instructions, advice, information, and feedback.

Close relationship between people is truly needed in various activities of life. House and Kahn (1985) point out that social support plays an essential role in helping people to alleviate the adverse effect in their life, to enhance their physical health and to defend themselves from the influence of stress and pressure. The micro-scale entrepreneurs are not infrequently faced with difficulties and obstacles in their business processes due to the fact that the competition among employers is getting higher and harder (Dewanti, 2008). This can cause pressure and stress on employers in managing their business. The presence of help or attention from the people around them can reduce and help entrepreneurs overcome the difficulties they face. Sarason, Levine, and Basham (1983) state that people who obtain a high social support will run positive things in their life and they will have a higher self-regard, a better self-concept and a lower anxiety level. Furthermore, people who get a social support also have an optimistic outlook in their life. This optimistic outlook, for instance in his work, is one of indicators of the subjective welfare.

The aforementioned social support can be obtained by an individual from various sources. Thoits (1986) says that social support comes from people who have meaningful relationship with one another such as family, close friends, spouses, colleagues, siblings and neighbors. According to Calhoun and Acocella (1990), social support can be obtained directly from family, friends, and colleagues, and it can also be obtained indirectly from participation and interaction within the group, social adjustment, job satisfaction, and engagement with environment. Argyle & Furnham (in Viel & Baumann, 1992) find out that the main process where a friend or a best friend can play a role in providing social support is by giving a help either materially or instrumentally. Assistance in the form of material support can be objects or items needed by victims and financial assistance for the cost of treatment, recovery, and daily living cost for the victims who cannot help themselves. This assistance could be in the form of information or money to solve the obstacles. The second process is the emotional support. Feeling depressed can be lessened by sharing our problems to our sympathetic friend. The third is the process of social integration. Taking a part in positive activities to fulfill our leisure that are cooperative and being accepted in a social group can dispel feelings of loneliness and produce feelings of peace which can strengthen social bonds. The feeling of prosperity comes from positive feelings. Eddington & Shuman (2005) note that positive feelings such as joy, rejoice, satisfaction, pride, love, and happiness are some indicators of subjective welfare.

Thoits (1986) proposes that the emotional support of people can alleviate distress by supporting one or more aspects of a person who is threatened by difficulties. A high self-confident entrepreneur will be able to control his/her emotions and s/he will also have a high concentration without worrying too much about the obstacles that hinder the goal. Harter (in Santrock, 2003) adds that the emotional support and social agreement in the form of confirmation from others also become a strong influence that is critical for building a high self-confident person. Emotional support related to life satisfaction is a significant predictor of life satisfaction itself (Newsom & Schulz, 1996). Satisfaction or happiness in life is often considered as subjective welfare. This is similar to Johnson & Johnson (1991) who explain that self-adjustment and psychological welfare can be improved through the attention of emotional support and

information and feedback instruments either directly or indirectly. If the self-adjustment and the psychological welfare of an individual are reached, s/he will be able to achieve his/her subjective welfare.

According to Johnson & Johnson (1991) and Smet (1994), it is explained that informative support consists of provision of advice, hints, suggestions, or feedback. The effects of information support to job satisfaction make people believe that they are loved, cared for, and they will receive assistances from others when they need them. In this case, the entrepreneurs, in addition to running their business, they also act as agents of change who can make new possibilities to his/her business, by way of blending the old information and new information (Winardi, 2003). Lack of adequate information on the entrepreneurs can cause negative impacts to the business in which the negative feelings will come after (Eddington & Shuman, 2005). However, with the support of adequate information, entrepreneurs are able to manage that information into a profitable decision. Therefore, social support is defined as a source of coping that affects the stressful situation (Major et al., 1997), makes the stressful people able to change the situation, and changes the meaning of a situation or the emotional reaction to the existing situation (Thoits, Major, et al, 1997). A person's ability to change the emotional reaction which ends up with the acceptance of all aspects of life and the existence of the satisfaction feeling can be an indicator that the subjective welfare has been achieved (Diener in Kanthamani & Palmer, 1994).

Research Method

The characteristics of the subjects in this study were 70 micro-scale entrepreneurs living in Yogyakarta. The limitations of the characteristics of the micro-scale entrepreneurs are based on the Regulations of the Republic of Indonesia No. 9 Year 1995 regarding Small-scale Business, with the following criteria; a) having a net income of maximum Rp 200.000.000, - (two hundred million rupiahs), excluding land and buildings, b) having an annual sales income of maximum Rp 1.000.000.000, - (one billion rupiah), c) having maximum four employees, d) owned by Indonesian citizens, e) independent, not subsidiary company that is owned, controlled or affiliated directly or indirectly with Medium and Large-scale Enterprises, in a form of personal business, non-legal entities, including cooperation. The method of collecting the data in this study used scale. Measuring instrument used was the Scale of the Subjective Welfare proposed by Eddington and Shuman (2005) such as the number of positive emotional experience and the lack of negative emotional experience, and the assessment of life satisfaction domains. Social Support Scale Colleagues was measured using the social support aspect proposed by House and Khan (in Choen & Syme, 1985), namely emotional support, esteem support, instrumental support, and information support. The data analysis technique used to test the hypothesis was the technique of Pearson Product Moment (Anwar, 1999), because the data on the criterion and the predictor variable were the interval data which were all measurement data using a test expressed in the form of score (Hadi, 2004).

Results and Discussion

Based on the results of data analysis, it is found that there is a significant positive relationship between social support and Subjective Welfare in micro-scale entrepreneurs in Yogyakarta. This means that the higher the social support, the higher the subjective welfare of the micro-scale entrepreneurs in Yogyakarta will be; and conversely, the lower the social support, the lower the subjective welfare of micro-scale entrepreneurs in Yogyakarta will be. It shows that the hypothesis is accepted.

The results of this study are in line with the findings of Rohmad (2014), that there is a significant relationship between social support and the subjective welfare of the students. Furthermore, Sarasan, et al., (1983) says that individuals who receive a positive social support during their life will help the formation of their self-esteem and they tend to look at everything in a positive and optimistic way in their life. That is because they also have self-confidence in their ability to control various situations. Individuals who lack support from the social environment will feel dissatisfied with his/her life. Sarafino (2004) also mentions that people who receive social support truly believe that they are loved, cared for, respected and valued,

and they feel to be a part of the social network such as family, community, and organization, and they get physical assistance and services, and be able to survive when they are needed or in danger (Yuniana, 2013).

In relation to the statement above, it is explained that social support is an essential part for people; this support has a positive impact on the people-in this case the micro-scale entrepreneurs-who face many challenges in their business and are forced to make decisions that sometimes are difficult to do. There are many research findings that prove the benefits of social support. According to Baron and Byrne (2005), people who interact actively to the environment would be better in avoiding the problems than those who are isolated from personal contacts. When there are many challenges and obstacles encountered in business, it would be probable for the entrepreneurs to feel stressed out. In this typical situation, people who receive social support will be easier to cope with this stress. People who apply the pattern of approach in the search for a sense of security would be easier to cope with the stress by searching for social support. The positive effect of interpersonal support is a sense of acceptance from the environment that can reduce stress and at the same time, it can cause comfortable and positive feeling spiritually and physiologically. Therefore, social support is needed by entrepreneurs to be able to face all the challenges and to feel satisfaction.

Satisfaction or happiness in life is often referred to as subjective welfare. Argyle states that individuals who have a high subjective welfare are happy and pleased with their close friends and family. These people are also creative, optimistic, hard working, and enthusiasm. They smile a lot more than people who call themselves unhappy. In addition, Myres says that people who are happy tend not to be egoistic, they do not have many enemies, they are familiar with other individuals, and they are more helpful (Anam & Diponegoro, 2008).

Another explanation given by Calso & Prrewe is about the positive relationship between social support and subjective welfare that lies in the role of social support in resources or coping mechanisms in order to reduce the negative effects of stress and conflict (in Gantari 2008) faced by the entrepreneurs in their business. The function of social support can reduce negative feelings experienced by the entrepreneurs. This is in line with Johnson and Johnson (1991) who state that social support is the exchange of resources with the intention of improving welfare, and the presence of other people who can be relied on to ask for help, encouragement, acceptance, and attention when facing difficulties. Sheridan and Radmacker (1992) mention that during the stressful time and situation, a person often experiences emotional distress as well as further conditions like depression, sadness, anxiety, and loss of self-esteem. With social support, at least the person can realize that there are some people surrounding them who are always ready to help face such pressures.

Based on the results of the analysis, it is known that social support variable has empirical mean (EM) about 49 and hypothetical mean (HM) about 52.5 which means that the social support to entrepreneurs from peers is high. According to Budiman (2006), colleague support is the support given by colleagues to an employee that aims at helping him/her to deal with a particular problem that creates a more comfortable and less depressed feeling. This support acts as a source of motivation for employees to face and solve the problems. In other words, micro-scale entrepreneurs have good relationships with their colleagues that make them gain a high social support when they need it. Furthermore, subjective welfare variables have the empirical mean (EM) about 47 and the hypothetical mean (HM) about 50 which indicate that micro-scale entrepreneurs in Yogyakarta belong to the high category. As proposed by Diener and Lucas (1997), subjective welfare is a self-evaluation regarding cognitive considerations about life satisfaction and emotional reaction to a situation, mood, and judgment on one's life. Furthermore, they point out that people who have a high life satisfaction will frequently feel happy in their life than the people who have a low life satisfaction. Therefore, these kinds of people tend to have high subjective welfare.

The results of this study have also shown the effective contribution of social support variable to subjective welfare of micro-scale entrepreneurs in Yogyakarta is about 14.4% shown by the determinant of the correlation coefficient (r^2) of 0.144. This means that there are about 85.6% of other variables that influence the subjective welfare in addition to social support variable. This is in accordance with Diener (1984) who states that there are two factors influencing the subjective welfare; bottom-up and top-down

factors. The bottom-up factor comprises outside events, situation, and the demographic influence surrounding one's life. The top down factors are as follows; (1) Attitude, which is a person's perspective in understanding a situation, (2) Value of life, which is a set of values guiding the individual to live a life, (3) Goal, which fits between the goals of life and the attainment achieved, and (4) Personality.

Closing

Based on the results of data analysis, it is known that there is a significant positive relationship between colleague social support and subjective welfare of micro-scale entrepreneurs in Yogyakarta. This shows that social support from colleagues is an essential aspect needed to raise the subjective welfare for micro-scale entrepreneurs in Yogyakarta. Therefore, it is advisable for micro-scale entrepreneurs to always keep and strengthen their social relationships well to their colleagues, because the presence and the support of colleagues can affect the subjective welfare of the micro-scale entrepreneurs.

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