

**HOME INDUSTRY AS A MICRO-BUSINESS EMPOWERMENT STRATEGY IN
INCREASING WORKERS' FINANCIAL REVENUE (CASE STUDY OF MAMA ZITA'S CAKE
HOME INDUSTRY IN BANTAN VILLAGE)**

Elva Damayanti¹, Evalina Pakpahan², Nela Permata Sari Lubis³, Daniel Ebenezer Silaban⁴

¹²³⁴Program Studi Ekonomi Pembangunan, Fakultas Bisnis dan Humaniora, Universitas Tjut Nyak
Dhien, Medan, Indonesia

Correspondence Email: delva6424@gmail.com

ABSTRACT

This study examines the role of home industry as a strategy for empowering micro-businesses in increasing workers' financial revenue, with a case study of the Mama Zita cake home industry in Bantan Village. The research problem arises from several issues, including the lack of skill empowerment programs for workers from government institutions, limited marketing strategies in promoting products, and minimal attention to raw material management, production facilities, and access to capital that support business sustainability. This study aims to analyze how the home industry contributes to empowering micro-entrepreneurs and improving workers' financial income. The research uses a qualitative approach in which the researcher acts as the key instrument. Data were collected through triangulation techniques including interviews, observations, photographs, and documentation, while data analysis was conducted inductively to interpret meanings rather than generalize findings. The results show that the Mama Zita cake home industry plays a strategic role in community economic empowerment. As a household-based business with flexible operations and relatively small capital requirements, the home industry provides employment opportunities, supports micro-entrepreneurs, and contributes to strengthening household economic resilience. Furthermore, workers involved in this sector experience a significant increase in daily financial income and receive additional bonuses when production orders increase. Therefore, the home industry can be considered an effective alternative strategy for empowering micro-businesses and improving workers' financial welfare at the community level.

Keywords: UMKM; Household Industry; Financial Income; SWOT; Empowerment Strategy.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are a sector that plays a crucial role in the national economy. MSMEs are businesses run by individuals, households, or small-scale businesses that can make significant contributions to economic development. MSMEs not only act as drivers of economic activity but also increase community income and create jobs. According to 2018 data from the Indonesian Ministry of Cooperatives, the number of MSMEs reached 64.2 million, or approximately 99.99% of the total business sector in Indonesia. Furthermore, MSMEs employ 117 million workers, or approximately 97% of the total workforce in the business world. MSMEs contribute significantly to the national Gross Domestic Product (GDP), accounting for approximately 61.1%, while the remaining 38.9% is contributed by relatively smaller large businesses. This demonstrates the strategic role of MSMEs in supporting economic growth and public welfare.

In North Sumatra Province, MSMEs are flourishing across various regencies and cities, spanning diverse business sectors, including culinary, fashion, beauty, and agribusiness. According to data from the North Sumatra Provincial Cooperatives and MSMEs Office, the number of MSMEs in the region has reached approximately 1.16 million, with 98.9% of these being micro and small businesses. These MSMEs employ approximately 80% of the province's workforce. The North Sumatra Provincial Government is also targeting approximately 20% of MSMEs to transform towards digitalization by 2024 through various strategies, such as improving infrastructure, strengthening business legality, and enhancing product quality to enhance MSME competitiveness. This demonstrates that MSMEs have significant potential to boost the regional economy and empower communities.

Medan, one of the major cities in North Sumatra Province, also boasts a rapidly growing MSME sector. According to data from the Cooperatives and MSMEs Office, there are approximately 25,301 MSMEs spread across various districts and villages in Medan. The majority of these MSMEs are micro-enterprises operating in the home industry sector. A home industry is a business run within a household, utilizing resources available within the community. These businesses are characterized by flexibility, family-based operations, and relatively low capital requirements, making them an alternative business option capable of creating jobs and increasing community income.

One growing home industry business in Medan is the Mama Zita Cake Home Industry, located in Bantan Village. The business was established in 2020 with relatively little capital and using simple household equipment. Initially, the business marketed its products simply through word-of-mouth promotion within the local community. Over time, the business has grown, adding various cake varieties and expanding its marketing, both directly and through online media. The increasing number of orders has prompted the business owner to add production equipment and expand the processing area to meet consumer demand.

This business growth has also resulted in an increase in the number of workers involved in the production process. Based on field observations, the number of workers at the Mama Zita Cake Home Industry has increased year after year. At the beginning of its establishment, this business only had one to three employees, but as the business grew, the number of employees increased to fifteen people in 2024. The existence of this business has a positive impact on the surrounding community, especially for housewives who get job opportunities so that they can help increase family income and reduce unemployment rates in the surrounding area.

However, based on observations and information obtained from the business owner, several challenges remain in the development of the business. These include limited employee skills development from government organizations, a lack of marketing strategies for product promotion, and the lack of optimal management of raw materials, a key component in the production process. Furthermore, the business is still developing independently without optimal government policy support, whether in terms of access to capital, human resource development, or production facilities. This situation indicates that strengthening micro-enterprise empowerment strategies is still crucial for sustainable business growth.

Based on these challenges, an empowerment strategy is needed to support business sustainability and improve the welfare of the workers involved. Empowering micro-enterprises through strengthening human resource skills, capital management, and appropriate marketing strategies is expected to increase both business revenue and worker income. Therefore, this study aims to analyze the role of home industry as a micro-enterprise empowerment strategy in increasing worker financial revenues at the Mama Zita Cake Home Industry in Bantan Village. This research is

expected to provide an overview of the contribution of home industry to community economic empowerment and serve as a reference for the future development of household-based micro-enterprises.

RESEARCH METHODS

This study used a qualitative approach to understand the role of home industries as a micro-enterprise empowerment strategy in increasing workers' financial income. The study was conducted in late November 2024 at the Mama Zita Cake Home Industry, located in Bantan Timur Village, Medan Tembung District, Medan City. The scope of the study focused on business activities and the role of home industries in increasing workers' income. The tools used in this study included interview guidelines, a recording device, a camera, and field notes. Data collection was conducted through observation, interviews, and documentation. Observations involved directly observing business activities, while interviews were conducted with home industry owners, workers, and relevant parties deemed knowledgeable about the research information. Documentation was used to supplement the data in the form of photographs and supporting documents. The data obtained were analyzed qualitatively through the stages of data collection, data reduction, data presentation, and drawing conclusions. Furthermore, this study used a SWOT analysis to identify strengths, weaknesses, opportunities, and threats in developing home industries to increase workers' income.

RESULTS AND DISCUSSION

Home Industry as a Micro-Enterprise Empowerment Strategy

The Mama Zita Cake home industry is a micro-enterprise engaged in home-made cake production in Bantan Timur Village, Medan Tembung District, Medan City. The business was established in 2020 with relatively small initial capital and using simple household equipment. Over time, the business has grown, with an increasing number of orders and a workforce that now reaches 15 people. This business not only provides profits for the business owner but also creates job opportunities for the surrounding community, contributing to local economic empowerment. Based on observations and interviews with the business owner, workers, and the village government officials who manage MSMEs, it was discovered that the micro-enterprise empowerment strategy in this home industry can be seen from several aspects, namely business capital, marketing, raw materials, and workforce skills. To determine the internal and external conditions of the business, this study used a SWOT analysis using the IFAS (Internal Factor Analysis Summary) and EFAS (External Factor Analysis Summary) matrices.

Table 1. Internal Strategy Factors (IFAS Matrix)

No	Internal Factors <i>Strenght (S)</i>	Bobot	Rating	Score (Bobot x Rating)
1	Innovative Marketing	0.75	4	3.00
2	Home Cake Taste Quality Mama Zita's Industry	1.00	4	4.00
3	Product Packaging Design	0.75	4	3.00
4	Product Price	1.00	4	4.00
Sub Total		3.50		14.00
No	<i>Weakness (W)</i>	Bobot	Rating	Score (Bobot x Rating)
1	Capital Arrangements	0.75	3	2.25
2	Limited Distribution	0.50	3	1.50
3	Financial Arrangements	0.50	4	2.00
Sub Total		1.75		5.75
Total		3.50 + 1.75 =5.25		14.00 + 5.75 =19.75

The table shows that the total strengths score is 14.00, while the weaknesses score is 5.75. This indicates that the internal condition of the Mama Zita Cake home industry is quite strong because the strengths outweigh the weaknesses. The main strengths of this business lie in the consistent taste quality of the products, neat packaging, and product prices that are in line with their quality.

However, this business still has several weaknesses, particularly in capital management and financial management.

Table 2. External Strategy Factors (EFAS Matrix)

No	External Factors Opportunities (O)	Bobot	Rating	Score (Bobot x Rating)
1	Government MSME Bazaar	0.75	3	2.25
2	Market Share	1.00	4	4.00
3	Technological Advances	0.75	3	2.25
4	Networks And Relationships	1.00	4	4.00
Sub Total		3.50		
No	External Factors Threats (T)	Bobot	Rating	Score (Bobot x Rating)
1	Competition	0.50	2	
2	Social And Environmental Issues	0.25	3	
3	Raw Material Price Increases	0.75	4	
Sub Total		1.25		
Total			3.50+1.25 = 4.75	

Based on the table above, the opportunity factor has a value of 12.50, while the threat factor is 4.75. This indicates that the opportunities for the Mama Zita Cake home industry outweigh the threats it faces. These opportunities include government-sponsored MSME bazaars, a large market share, the development of digital technology that can be utilized for business promotion, and a strong network of relationships with customers and raw material distributors.

The Mama Zita Cake Home Industry Increases Workers' Financial Revenue

The existence of the Mama Zita Cake home industry has also had a positive impact on increasing workers' income. Based on interviews, most workers did not have a steady income before working at the business. After joining, workers earn a daily income ranging from Rp 60,000 to Rp 120,000, depending on the volume of production and orders received each day. The wage system implemented in this business uses a profit-sharing system based on the number of cakes produced and sold each day, rather than a fixed monthly salary. This system provides workers with the opportunity to earn higher incomes if the number of orders increases. Furthermore, workers also gain new experience and skills in the cake production process, thereby improving their work capabilities. The growth of this business is also influenced by the length of its operation and the increasing number of orders from various events, such as campus events, government activities, and community events. Even for several major events, such as the 2024 National Sports Week (PON) and the 2024 General Election, the Kue Mama Zita home industry was trusted to provide snack boxes in large quantities, providing additional income for both business owners and workers. The results of this study indicate that the home industry not only functions as a household economic activity but also serves as a means of community empowerment through job creation and increased income for the surrounding community.

CONCLUSIONS

Based on the discussion and SWOT analysis, it can be concluded that the Mama Zita cake home industry plays a strategic role in empowering the community's economy, particularly for micro-entrepreneurs and workers from low-income groups. With its flexible, home-based nature and relatively low capital requirements, this business is capable of creating jobs, increasing income, and strengthening family economic resilience. The study also showed an increase in workers' income, influenced by improved skills, efficient working hours due to the work-from-home system with daily wages, and sustainable business opportunities. Based on the SWOT analysis, the strengths and opportunities outweigh the weaknesses and threats, thus making this business capable of effectively empowering micro-enterprises. Furthermore, the home industry also contributes to economic independence, opens up opportunities for women, and builds social solidarity between households. However, challenges remain, such as limited capital, low managerial skills, and limited digital literacy. Therefore, with good management and support from various parties, the home industry has the potential to become an important pillar in local and national economic development.

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