

Business Incubator Development to Promote Youth Entrepreneurship in RT 013, Lubuk Gaung Subdistrict, Sungai Sembilan District

Erinaldi ^{1*}, Lilis Wahyuni ², Alfatiha ³, Subari ⁴

¹⁻⁴ Sekolah Tinggi Ilmu Administrasi Lancang Kuning, Indonesia

Email: liliswahyuni6@gmail.com

*Penulis korespondensi : liliswahyuni6@gmail.com

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Abstract. Youth unemployment remains a strategic issue in social and economic development, particularly at the community level. Limited formal employment opportunities, low entrepreneurial skills, and restricted access to information and capital have constrained youth economic independence. This community service program aims to accelerate employment growth through youth entrepreneurship development based on a business incubator approach in RT 013, Lubuk Gaung Sub-district, Sungai Sembilan District, Dumai City. The program employed a community organizing approach through participatory counseling, interactive discussions, and initial business mentoring. The results indicate a significant improvement in youths' knowledge, skills, and entrepreneurial attitudes, particularly in business planning and micro-enterprise management. Furthermore, a shift in orientation from job seekers to job creators was observed, along with the emergence of collective business initiatives and increased awareness of entrepreneurship as a means of job creation. This program contributes to accelerating employment growth and strengthening youth-based local economic development. Thus, this program makes a significant contribution to youth economic empowerment and regional economic development.

1. INTRODUCTION

Employment is one of the fundamental aspects of social and economic development, as it is directly related to the fulfillment of basic needs, the improvement of welfare, and social stability. Labor is not merely understood as the number of people who are employed, but also encompasses the quality of human resources (HR), including knowledge, skills, and work attitudes. From a development perspective, labor constitutes the main capital driving economic activity and national development (Todaro and Smith 2015). This is consistent with Article 27 paragraph (2) of the 1945 Constitution of the Republic of Indonesia, which affirms that every citizen has the right to work and to earn a decent livelihood consistent with human dignity.

Employment issues in Indonesia are still characterized by an imbalance between the growth of the labor force and the availability of job opportunities. Data from Statistics Indonesia indicate that the growth of the productive-age population is not always accompanied

by adequate employment creation, resulting in high levels of open unemployment and underemployment, particularly among youth (Statistics Indonesia 2023). Qualitatively, this condition is exacerbated by the mismatch between workforce skills and labor market demands, limited access to business capital, and weak networks and partnerships with industry.

These objective conditions are also experienced by youth in RT 013, Lubuk Gaung Sub-district, Sungai Sembilan District, Dumai City, which serves as the assisted community in this community service program. Most youth are of productive age but have not yet obtained stable employment or sustainable independent businesses. Limited entrepreneurial skills, weak business management understanding, and restricted access to market information and capital are major barriers to job creation. This phenomenon highlights the importance of community empowerment approaches oriented toward strengthening youth entrepreneurial capacity.

Theoretically, entrepreneurship is regarded as an effective strategy for addressing unemployment and promoting local economic growth. Schumpeter positions entrepreneurs as agents of change who are capable of creating innovation, added value, and new employment opportunities through creative combinations of resources (Schumpeter 1934). In the context of community development, youth entrepreneurship can be fostered through a business incubator approach, which functions as a platform for coaching, mentoring, and sustainable capacity building (Bruton, Ketchen, and Ireland 2013).

This community service program focuses on youth entrepreneurship development through the application of the 8P principles: Place (location), People (labor), Process (operations), Partnership (collaboration), Profit (returns), Promotion (marketing), Product (output), and Price (pricing). These principles represent an extension of marketing mix and business management concepts that emphasize the integration of internal and external business factors. Kotler and Keller (2016) emphasize that business success, particularly for micro and small enterprises, is largely determined by the ability to manage products, prices, promotions, locations, human resources, and business processes in an integrated manner.

The selection of Karang Taruna youth in RT 013, Lubuk Gaung Sub-district, as the subjects of this community service program is based on their substantial human resource potential, which has not yet been optimally utilized. Youth play a strategic role as agents of change in local economic and social development (Soetomo 2011). Through this community service activity, it is expected that social change will occur in the form of increased entrepreneurial knowledge, skills, and attitudes among youth, the establishment of new

productive businesses, strengthened partnerships with stakeholders, and the creation of sustainable employment opportunities.

Therefore, the objective of this community service program is to enhance youth access to entrepreneurial knowledge, skills, and resources, while simultaneously strengthening the role of higher education institutions in community assistance and empowerment. In the long term, this program is expected to contribute to reducing unemployment, increasing community income, and realizing inclusive and sustainable local economic development.

2. METHODS

This community service activity was conducted using a community organizing approach, positioning youth in RT 013, Lubuk Gaung Sub-district, Sungai Sembilan District, Dumai City, as active participants. The program was implemented on Sunday, June 18, 2023, at Mushola At-Taqwa RT 013, which was selected due to its role as a center of community social activities and its accessibility for participants. The selection of both the subjects and location was based on the strategic potential of youth as drivers of local economic development, alongside their limited entrepreneurial knowledge and skills at the community level.

The planning process was carried out participatively through initial coordination with neighborhood leaders, community figures, and youth representatives to identify key issues, local potentials, and priority needs. Youth were directly involved in determining the focus of activities and formulating joint action plans, ensuring that the program was aligned with the social conditions and capacities of the assisted community. This approach aimed to foster a sense of ownership, enhance active participation, and strengthen collective awareness of the importance of community-based entrepreneurship development.

The primary method employed in this program was participatory extension, combined with interactive discussions and question-and-answer sessions. Extension activities were understood as a process of disseminating knowledge and skills from higher education institutions to the community so that they could be applied in daily practice.

Lecturing was used in a limited manner and integrated with interactive approaches to maintain participants' attention and encourage active engagement in the learning process, thereby enabling a more effective understanding of entrepreneurial concepts.

The stages of the community service activity included preparation, joint action planning, implementation, evaluation, and follow-up. The preparation stage involved coordination, needs assessment, and the development of activity materials. The

implementation stage consisted of entrepreneurship counseling and discussions, followed by evaluation through reflection and interactive dialogue. The follow-up stage focused on encouraging the application of counseling outcomes in the form of youth business planning as an initial step toward the development of a community-based business incubator.

3. RESULTS

The implementation of the Community Service Program (PKM) through business development as an instrument to accelerate the growth of youth entrepreneurial employment demonstrated participatory mentoring dynamics oriented toward addressing employment-related issues. This activity was designed to enhance youths' capacity to initiate and manage productive enterprises as an alternative means of creating self-employment opportunities. Through counseling, discussions, and initial mentoring, youth participants gained an understanding of the relationship between business development and job creation, both for themselves and for the surrounding community.

The results indicate an improvement in youths' knowledge and skills related to business planning and management. Participants began to identify business opportunities with the potential to absorb labor, particularly micro- and small-scale enterprises based on local needs. Technically, youth participants understood the basic stages of business development, including business planning, production process management, and simple marketing strategies. This condition represents an initial step toward accelerating employment growth based on youth entrepreneurship.

In addition to enhanced technical capacity, the PKM activities also generated changes in youths' attitudes and behaviors toward employment. There was a shift in orientation from dependence on the formal employment sector toward a more independent and innovative entrepreneurial mindset. Several participants demonstrated initiatives to develop businesses collaboratively, which have the potential to create new job opportunities and expand business networks. These initiatives serve as early indicators of the emergence of local leaders in youth entrepreneurship development.

Furthermore, the results of the community service program reveal the formation of collective awareness that business development is not solely oriented toward economic profit, but also serves a social function in reducing youth unemployment. This awareness constitutes an important foundation for the emergence of new social institutions in the form of organized youth entrepreneurial activities. Thus, this PKM activity contributes to accelerating

employment growth through strengthening the capacity and role of youth entrepreneurship at the community level.

4. DISCUSSION

The findings of this community service program are consistent with entrepreneurship theory, which positions business development as one of the primary mechanisms for job creation. Hisrich, Peters, and Shepherd (2017) emphasize that entrepreneurship plays a crucial role in driving economic growth through the creation of new ventures capable of absorbing labor. In the context of this PKM, business development carried out by youth serves as a strategic means to accelerate employment growth at the local level.

The counseling and mentoring approach applied supports the view of Mardikanto and Pepi (2019) that community empowerment should be directed toward enhancing the capacity and independence of the assisted subjects. The active involvement of youth in the planning process and business discussions reflects the occurrence of social learning processes that encourage sustained changes in knowledge, attitudes, and skills. This process forms an important foundation for business sustainability and long-term job creation.

From an employment perspective, the results of this program demonstrate that youth entrepreneurship can serve as an alternative solution to the limitations of formal employment opportunities. This finding aligns with the perspective of Todaro and Smith (2015), who argue that the development of micro- and small-scale enterprises makes a significant contribution to employment absorption in developing countries. Therefore, youth entrepreneurship-based business development holds strategic relevance for employment policy and local economic development.

The emerging social changes, such as increased youth awareness of entrepreneurship and the emergence of local leadership initiatives, indicate a gradual process of social transformation. Chambers (1997) explains that empowerment-oriented development encourages communities to become the primary actors of change. In this context, business development through PKM not only enhances individual capacity but also accelerates employment growth and strengthens the socio-economic structure of youth communities in a sustainable manner.

5. CONCLUSION

Community service activities through business development have demonstrated that youth entrepreneurship plays a strategic role in accelerating employment growth at the

community level. Theoretically, entrepreneurship-based development emphasizes the enhancement of human resource capacity as a key factor in creating new employment opportunities. The results of this program reflect that strengthening youths' entrepreneurial knowledge, skills, and attitudes can encourage a shift in orientation from job seekers to job creators, thereby contributing to unemployment reduction and increased economic independence.

The participatory mentoring process indicates the occurrence of social learning and behavioral change among youth. Youth not only gained an understanding of the technical aspects of business development but also became aware of the social role of entrepreneurship in creating employment opportunities within their communities. The emergence of collaborative business initiatives and potential local leaders reflects the formation of social capital that serves as an important foundation for sustainable business development and community-based employment growth.

Based on these reflections, it is recommended that youth entrepreneurship business development be carried out continuously through synergy among higher education institutions, local governments, and relevant stakeholders. Higher education institutions are expected to continue playing an active role through community service programs integrated with business mentoring and entrepreneurial capacity building. In addition, policy support and access to capital, advanced training, and business partnership networks are needed so that youth entrepreneurship initiatives can develop optimally and make a tangible contribution to accelerating employment growth and sustainable local economic development.

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