



# MOTIVATORS AND BARRIERS FOR WATER AND SANITATION ENTERPRISES IN INDONESIA

JULY 2015



# ENTERPRISE IN WASH

'Enterprise in WASH' is a joint research project led by the Institute for Sustainable Futures (ISF) at the University of Technology Sydney, which investigates the role of private and social enterprises in the delivery of water, sanitation and hygiene (WASH) services for the poor. For other Enterprise in WASH publications, see [www.enterpriseinwash.info](http://www.enterpriseinwash.info)

## ABOUT THE AUTHORS

The Institute for Sustainable Futures (ISF) was established by the University of Technology Sydney to work with industry, government and the community to develop sustainable futures through research and consultancy. Our mission is to create change toward sustainable futures that protect and enhance the environment, human well-being and social equity.

Research in Economics and Business (P2EB) at University Gadjah Mada conducts research in economics, with a particular emphasis on methodological thinking and high policy impact.

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## Institute for Sustainable Futures

University of Technology Sydney  
PO Box 123, Broadway, NSW, 2007  
[www.isf.edu.au](http://www.isf.edu.au)  
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# EXECUTIVE SUMMARY

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## Introduction

Small-scale enterprises play increasingly important roles in supporting increased access to water and sanitation products and services in Indonesia and elsewhere. While studies have examined the impacts of the enterprises which play these roles, little is known about what motivates enterprises to become involved in service provision for the poor, and what enterprises see as the key factors that support and hinder their viability and business success.

This study was undertaken by the Institute for Sustainable Futures, University of Technology Sydney with University Gadjah Mada in partnership with Plan Indonesia. It drew on literature in the fields of small-scale enterprises, entrepreneurship and social entrepreneurship to investigate the motivations, drivers and barriers associated with the following three sets of enterprises in the provinces of West Java, Central Java, Yogyakarta, East Java and East Nusa Tenggara:

- sanitation entrepreneurs providing sanitation products and services in rural, suburban and urban areas
- water service providers existing as cooperatives, village-owned enterprises or other formalised structures in rural contexts
- sludge removal businesses operating in urban and small town contexts

## Study purpose and methods

The purpose of this study was to explore enterprise motivators and drivers, and to consider how these may best be harnessed and supported by development agencies and governments. The study examines the evidence concerning the key real and perceived 'barriers to entry' and business risks within Indonesia's culture and regulatory environment.

This predominantly qualitative study involved structured interviews with females and males involved in leading or managing 101 existing enterprises. As a part of the study, the opportunities for, and constraints on, women's participation in enterprise development were also examined.

Research tools were developed based on the literature and previous research on the political economy of enterprise engagement in water and sanitation services in Indonesia. An analytical framework guided the analysis process used to identify entrepreneurial traits and the most important factors influencing enterprise success. Qualitative responses were categorised into relevant themes (allowing quantitative analysis of their recurrence) and illustrative quotes used to highlight common and atypical perspectives.



### **Enterprise characteristics**

The *sanitation entrepreneurs* interviewed (n = 56) were predominantly male, aged between 36 and 55, relatively highly educated, and with work experience in a variety of sectors, including a significant proportion concurrently working for the government. Most also had other jobs in parallel to their sanitation business and the majority were operating in rural areas. The businesses were predominantly informal and micro-sized with no more than five years of operation, and relied on personal savings as the main source of business capital. Toilet pans and installation of the full toilet package without superstructure were offered by most businesses. The main customers of most businesses were households and word of mouth, flyers and brochures, as well as government networks and sale agents were the most commonly used marketing methods.

The *water enterprise leaders* interviewed (n = 21) were all male, aged between 36 and 55, with a high level of education, and with previous work experience, mainly in the public sector. Most also had another occupation in addition to the water enterprise. Most water enterprises were located in rural areas, had operated for ten years or more, and had formal legal status as village-owned enterprises or cooperatives. The enterprises were predominantly small with six to ten people. Third party investment from donors or government was the main source of business capital. Most enterprises served both households and institutions and covered from one to four villages. Services offered were predominantly limited to water supply. Word of mouth and direct selling were the most common marketing methods, although a significant proportion also relied on government to promote their services.

The *sludge removal enterprises* interviewed (n = 24) were predominantly male, aged between 36 and 55, with a high level of education, and with more than five years of work experience mainly in the private sector or running other types of businesses. Half also devoted their time to other jobs in parallel to the sludge removal business. The businesses were predominantly informal, micro-sized, with more than five years of operation and operating in urban and suburban areas. Most also served both households and institutions, offered de-sludging service only, and relied on personal or family savings as the main source of business capital. Word of mouth was the most commonly used marketing method.

### **Key findings about sanitation entrepreneurs**

*Entrepreneurial traits:* All five entrepreneurial traits reported in the literature to characterise successful entrepreneurs were found amongst sanitation entrepreneurs. These five traits are: a proactive approach, need for independence, need for achievement, innovativeness, and risk taking. More successful entrepreneurs demonstrated a larger number of traits than less successful entrepreneurs. In particular they demonstrated a greater presence of a proactive approach, innovativeness and risk-taking traits.

*Pro-social traits:* Generally, both successful and unsuccessful entrepreneurs demonstrated a strong sense of social responsibility. A range reasons for this was found. In some cases entrepreneurs were intrinsically motivated through, for example, a sense of empathy with the poor, religious beliefs and feelings of self-satisfaction in helping. In other cases, the underlying motive appeared to be extrinsic and related to the entrepreneur's current side job, if this job was aligned with the objectives of the business. This was the case of entrepreneurs who were also sanitarians. The findings also revealed a broader range of motivations and benefits from engaging in the sanitation business beyond pro-social goals. These included extended social networks, increased recognition and status, and pride. In line with this presence of social responsibility, the majority served the poor (69%) and allowed customers to pay in instalments (68%).

*Levels of success:* The majority (77%) of the sanitation businesses interviewed were considered to be successful, with 14% as highly successful. Most had increased or remained stable after 3 years of operation and only a minority didn't grow and declined soon after establishment. More than half of the enterprises (55%) made monthly revenues lower than IDR 5 million (USD 376).

*Factors affecting success:* Respondents' perceptions of what characterises a successful sanitation entrepreneur emphasised personality traits such as persistence, self-motivation, risk-taking, friendliness, as well as skills such as technical, business management, and marketing skills.

A relationship between success and time commitment, as well as the sector of the entrepreneurs' previous experience was found. The majority of high success entrepreneurs spent a higher number of days per week on the business than unsuccessful entrepreneurs. Further, greater experience in government was evident amongst highly successful entrepreneurs than others.

A relationship between success and a number of characteristics of the enterprise was also found. These included the location, size and staff composition, years of operation, as well as engagement in product or service development, and initial investment. Higher levels of success were found amongst enterprises located in sub-urban and urban areas. Concerning the age of the enterprise, the majority of businesses had five years of operation or less, however the proportion of enterprises operating for more than 10 years was highest in highly successful enterprises. Further, higher numbers of staff were found amongst enterprises with higher levels of success, and in general successful enterprises employed more part-time staff than others. Highly successful enterprises also tended to be more active in product and service development activities than enterprises with lower levels of success. The findings also revealed higher amounts of initial investment amongst successful entrepreneurs than unsuccessful entrepreneurs.

Association membership was also highlighted as an important contributor to success, as most of the successful entrepreneurs were members of sector-related associations and reported this to be a positive experience. Commonly reported benefits of association membership included camaraderie and friendship, access to information, development of technical skills and networking. Overall, the key business success factors most commonly reported were networks, the existence of demand and favourable business locations.

Of the contextual factors that can affect business success, entrepreneurs emphasised operational aspects to be the most challenging, including high cost of raw materials and high fixed expenses. Significant emphasis was also given to other challenges. The most commonly reported included: lack of demand and lack of access to information about the market; lack of access to finance for customers and lack of alternative sources of finance other than banks; lack of business skills, knowledge and training opportunities; and unofficial retributions or taxes.

*Gender dimensions:* It was found that female entrepreneurs achieved lower levels of success than male entrepreneurs, however there were far few female entrepreneurs in the study. Entrepreneurial self-perceptions and perceptions of the business environment provided some insight into this. Compared to male entrepreneurs, female entrepreneurs demonstrated more risk-averse attitudes and less innovative outlook than male entrepreneurs. Further, they demonstrated a lower commitment to continuing the business in the future and less confidence in the future success of the business.

### **Key findings about water enterprises**

*Entrepreneurial traits:* All five typical entrepreneurial traits were found amongst the water enterprise leaders and the most dominant were proactiveness, risk taking behaviour, and need for achievement. Higher numbers of traits were found amongst higher levels of success. Further,

leaders of highly successful enterprises demonstrated a strong presence of proactiveness, risk-taking propensity, and innovativeness, whereas the only enterprise classified as unsuccessful only demonstrated proactiveness and need for achievement.

*Pro-social traits:* A strong sense of social responsibility was found amongst the water enterprise leaders, but no clear connection was found between success and the presence of pro-social traits. Most leaders, of both successful and unsuccessful enterprises, demonstrated medium to strong pro-social traits.

Various motivations were found to be driving pro-social behaviour. In some cases participants were intrinsically motivated by religious beliefs and a desire to be “rewarded by religiously” or self-satisfaction in helping the poor. Some mentioned that their commitment was not due to financial return: “the salary for this business is low so [I do] not [do it] because of financial concerns”. In other cases however, a sense of social responsibility appeared to be related to the leader’s past or current side job if this aligned with the objectives of the water enterprise. This was the case for two leaders who worked at the village office, which has a role in addressing community needs and promoting healthy communities. Other motivations and benefits related to contributing to the enterprise objectives were also mentioned, including extended social networks, new skills, knowledge and experience, increased recognition and status, and a desire to access clean and affordable water.

*Levels of success:* The majority of the enterprises (95%) were considered successful, with 24% as highly successful. Only one enterprise was considered to be unsuccessful. In most cases (86%) the enterprise profits had either remained stable after three years of operation or increased, and only one didn’t grow and declined right after establishment. Most enterprises (91%) earned a monthly revenue lower than IDR 40 million (USD 3,012).

There were no clear patterns of success in relation to the formal management structure of each enterprise (for example cooperative, villages owned enterprise etc.). However it’s interesting to note that the only unsuccessful enterprise was an association, although this was also the only association within the sample. Further, although a significant proportion of the remaining enterprises (55%) were village-owned enterprises, challenges associated with this model were mentioned. For example, in one case interference from village administrators had caused major challenges: “Village government ruins the management, taking over the organisation but they are not doing the mandates. HIPPAM [water provider organisation] funds are [used] for [personal] reasons by village administrators”. This respondent also noted that the support from an association of HIPPAMs had helped promote success, and it had also had the effect of bringing together consumer representatives.

The majority of the enterprises considered to have achieved some level of success (60%) were village-owned enterprises (BUMDES), followed by cooperatives (33%) and informal (7%). Of the five highly successful enterprises two were village-owned enterprises, and the remaining three were a cooperative, a foundation and a limited liability company.

*Factors affecting success:* Respondents’ perceptions of what characterised a leader of a successful water enterprise included personality traits such as flexibility and tolerance, honesty, innovativeness and creativity, smartness, as well as persistence and patience. Skills were also emphasised, although to a lesser degree. These included business management, financial management and technical skills. Leaders also mentioned the importance of government support as a key success factor.

Of the challenges that can affect success, leaders mentioned, in order of importance: operational aspects; government and regulations; human resources; financial considerations; and access to markets. The most commonly reported challenges were: high cost of materials and high fixed



expenses (operational challenges); unclear or lack of government legislation (government and regulations); lack of business skills and knowledge and difficulty in finding staff with the right skills (human resources challenges); high interest rates for bank loans, lack of sources of finance other than banks, and official taxes (financial challenges); lack of social and business networks and lack of business partnerships (market challenges).

*Gender dimensions:* All the interviewed leaders of water enterprises were male, and one respondent suggested that engagement in water enterprises involves higher risk for women than men and therefore women tend to be limited to administrative positions. Half of the respondents perceived that it easy for women to become entrepreneurs within the respondents' local communities and more broadly in Indonesia, and half perceived the opposite. The former believed that gender equity issues had reduced greatly over time and that the growing number of female entrepreneurs has occurred because: "*gender bias has faded away. Indonesia has a lot of business women*". The latter believed that women are less capable than men and that women lack a willingness to be involved in business activities: "*women are unlikely to succeed, [they are] difficult to rely on, and being the people who help others ... women are difficult to work with, women prefer to manage the family*".

### **Key findings about sludge removal enterprises**

*Entrepreneurial traits:* All five types of entrepreneurial traits were present amongst sludge removal entrepreneurs although some were found in higher percentages than others. These included risk-taking behaviour, adopting a proactive approach and need for achievement. More successful entrepreneurs demonstrated a larger number of entrepreneurial traits than less successful entrepreneurs (Figure 173). Highly successful leaders demonstrated a strong presence of proactiveness, risk-taking and need for achievement. However, amongst the entrepreneurial traits in question, only differing percentages for the need for independence trait clearly differentiated between the high success enterprises and the less successful ones. This trait was higher amongst highly successful enterprises than those with some success and unsuccessful enterprises.

*Pro-social traits:* A weak sense of social responsibility was evident amongst entrepreneurs. Most entrepreneurs, both successful and unsuccessful, were classified as having weak pro-social traits, although a higher proportion of successful entrepreneurs had strong or medium pro-social traits than unsuccessful entrepreneurs. The small proportion of enterprises that offered instalment payments supports this finding. Amongst entrepreneurs that demonstrated pro-social traits, a sense of empathy and compassion with the poor and satisfaction in helping the poor, as well as religious beliefs, were found to be present.

The findings also revealed a broad range of motivations and benefits from engaging in the sanitation business beyond pro-social goals. These included extended social networks, increased knowledge and experience, and sense of pride.

*Levels of success:* The majority of the sludge removal enterprises (71%) were considered to be successful, with 25% as highly successful. The majority (95%) were still in operation and their profits had either remained stable after three years of operation or increased, and only a minority (8%) didn't grow or declined right after establishment. More than half of the enterprises (52%) reported a monthly revenue of between IDR1 million (USD 75) and IDR5 million (USD 376), and 42% reported this to be above IDR5 million (USD 376).

*Factors affecting success:* Respondents' perceptions of what characterises a successful sanitation entrepreneur emphasised personality traits and skills, such as diligence, hard-working, honesty, as well as customer service, marketing, and technical skills. Entrepreneurs suggested that market-related factors were significant in influencing business success, including competition and demand. An additional success factor equally highlighted was family support.

Relationships between success and a number of characteristics of the entrepreneur were found. These included the age of the entrepreneur, whether he had a concurrent job to the sludge removal business as well as previous working experience. A significantly higher percentage of entrepreneurs in the 20 to 35 age bracket was found amongst highly successful entrepreneurs than amongst entrepreneurs that had achieved some success and unsuccessful entrepreneurs. Likewise, the majority of the highly successful entrepreneurs had a side job compared to a smaller percentage amongst unsuccessful enterprises. Further, the percentage of entrepreneurs with side jobs found amongst enterprises that had achieved some success was higher than amongst unsuccessful enterprises. Previous experience was revealed to be an important factor for success, as amongst the entrepreneurs who had previous experience, there was a higher proportion of successful businesses than unsuccessful businesses.

Relationships between success and a number of characteristics of the enterprise were also found. These included the age of the enterprise, its initial investment, and association membership. A significantly higher proportion of enterprises with five years of operation or less was found amongst highly successful enterprises than amongst enterprises with lower levels of success. Similarly, higher levels of initial investment were also found amongst successful businesses than unsuccessful businesses. Membership of associations was also highlighted as an important factor in success as no unsuccessful entrepreneurs were members of a sector-related association, whereas more than 30% of enterprises with some success and highly successful enterprises had memberships. Common benefits of association membership reported by successful entrepreneurs included peer-to-peer learning and camaraderie.

Of the contextual factors that can affect success, the findings emphasised operational aspects as the most challenging, including high cost of materials and high fixed expenses. Significant emphasis was also given to other types of challenges such as access to market, human resources, government and regulations, and financial aspects. Amongst these, the most commonly reported included: high level of competition and market saturation; lack of access to finance for customers, high interest rates for bank loans, and lack of alternatives to banks as sources of finance; lack of time and marketing skills; and unclear or lack of government legislation.

In contrast, reported business success factors emphasised market-related factors as the most important. Amongst these, the most commonly reported included low competition and the existence of demand. An additional success factor equally highlighted was family support.

*Gender dimensions:* Concerning perceptions of contextual gender differences, the findings revealed a predominant perception that it is easy for women to become entrepreneurs in Indonesia and in the respondents' local communities. Reasons presented for this provide insights into what can influence the success of female entrepreneurs compared to male entrepreneurs. Of the reasons given for why it's easy for women to become entrepreneurs in Indonesia or within the entrepreneurs' communities, the most common was based on the belief that women are as capable as men and are experienced in businesses other than sanitation. Other reasons presented were associated with the perception that women's skills and/or personalities are better suited to business activities than men, that gender equity is no longer an issue, and that the sludge removal business was easy enough to be carried out by anyone.

In turn, amongst the reasons given for why it's difficult for women to become entrepreneurs, the most dominant was based on the belief that women's natural qualities and abilities aren't suited to business activities. Other reasons presented were associated to perceptions that a woman's role is to take care of domestic activities, that women generally don't want to get involved in businesses and prefer to be housewives, and that gender inequality issues which limit women's ability to engage in business activities are still present in society.

## Cultural influences on enterprises

The literature suggests that the status and level of support for self-employment and entrepreneurial behaviour within the entrepreneur's family, community and wider country context are important in determining entrepreneurial success.

Family involvement in small-enterprises is common in Indonesia, and was evident amongst sanitation entrepreneurs and sludge removal entrepreneurs. Just under half of the sanitation entrepreneurs (46%) involved other family members in their businesses, with the majority of these (73%) citing benefits such as supporting family income, trust and reliability, lower wages. Only three respondents pointed out challenges including the need for more tolerance and patience. Many sludge removal entrepreneurs (62%) also involved family members, with more than half (53%) reporting this to be a positive experience. Reported advantages included easier access to assistance and financial support, and easier communication. However, the potential to harm family relationships, as well as pressure to perform well and avoid mistakes was also mentioned by a small proportion of respondents (13%).

Amongst sanitation entrepreneurs, more than half (54% - 61%) perceived self-employment and innovation to be valued within Indonesia's society, and business risk-taking to be valued within their families. In contrast, less than half of the respondents (30% - 49%) perceived business innovators and business risk-taking to be valued within their communities. Likewise, less than half of the respondents (45%) perceived business risk-taking to be valued within Indonesia as a whole. Cultural perceptions around business prosperity were also evident in responses to an open-ended question. One respondent said that society had a "bad image" of people who tried to expand their businesses and that this was the biggest challenge businesses faced.

A different set of perceptions was evident in water enterprise leaders. The majority of the respondents (67% to 76%) perceived business innovation to be valued within Indonesia's society as well as within their communities. The majority (57% to 67%) also perceived business risk-taking to be valued within their communities and within their families. In contrast, less than half (33% to 48%) perceived business risk-taking and self-employment to be valued in Indonesia as a whole.

Amongst sludge removal entrepreneurs, the perceptions were different again. Only a small proportion (25% - 33%) felt that business risk-taking was valued within their families or communities (33%). The majority (58%) did believe, however, that business risk-taking was valued in Indonesia. The majority (67%) also perceived that business innovators had high status within their local communities and in Indonesia as a whole. Concerning values around self-employment, half perceived this to be valued within in Indonesia.

## Conclusions

This study has revealed the diversity in entrepreneurs and enterprises present in Indonesia and carrying out important roles to support water and sanitation services. The key focus of the study was to understand the motivations of such enterprises, including social motivations, and to gain a deeper understanding of what factors influence business success or failure.

The study revealed a high sense of social responsibility amongst sanitation entrepreneurs and leaders of water enterprises, but not amongst sludge removal entrepreneurs. This orientation was reflected in the services offered. The first two had practical ways of supporting the poor to access services, including through payment in instalments, whereas most sludge removal enterprises did not offer such arrangements.

Key entrepreneurial traits were evident, particularly in successful enterprises of all types. Amongst sanitation entrepreneurs, the traits with most influence on business success were proactiveness, innovativeness and risk-taking propensity. Amongst leaders of highly successful



water enterprises, proactiveness, risk-taking propensity and need for achievement were more evident than in enterprises with lower levels of success. In turn, amongst leaders of sludge removal enterprises a need for independence clearly differentiated between the high success enterprises and less successful enterprises.

There were similarities and differences amongst the key challenges faced by different enterprise types. All three types of enterprises reported operational challenges associated with high costs of materials and high fixed expenses, which may reflect the challenge of pricing their services to cover such costs, given the 'social good' nature of these businesses and the need to remain affordable. Beyond this, for sanitation entrepreneurs, the other most significant challenges were lack of consumer demand and market information, lack of access to finance for customers, lack of business skills and training opportunities and unofficial retributions or taxes. Beyond operational aspects, leaders of water enterprises cited a different set of challenges, including the effect of unclear government legislation or a lack of legislation; a lack of business skills and knowledge and difficulty in finding staff with the right skills; high interest rates for bank loans; lack of alternatives to banks as sources of finance; taxes; a lack of social and business networks; and a lack of business partnerships. Lastly, for sludge removal companies, the key challenges were the high level of competition and market saturation, lack of access to finance for customers, a lack of time and a lack of marketing skills. They also reported some challenges in common with water enterprise leaders in relation to high interest rates for bank loans, lack of alternatives to banks as sources of finance and unclear or absent government legislation.

A range of other factors also influenced enterprise operations and success. It was clear that sanitation enterprises operating in urban or suburban areas had a greater chance of achieving success. Further, sanitation enterprises with higher levels of success tended to be in operation for more than ten years, have a higher number of staff, and be more proactive in product and service development. In contrast, more successful sludge removal enterprises tended to have five years of operation or less. Previous working experience of the entrepreneur and the business initial investment also appeared to be important factors for success. Amongst sanitation entrepreneurs, greater experience in government was evident amongst highly successful entrepreneurs than others. In turn, a higher proportion of successful businesses was found amongst sludge removal entrepreneurs who had previous experience than those who didn't. Further, membership of associations supported business success. Side jobs were common, and could be mutually supporting and reinforcing (in the case of sanitarians and sanitation entrepreneurs, and water enterprise leaders and villages officers) but could also result in inadequate time spent on the business and a corresponding reduction in success. Women were found to be much less prominent amongst enterprises than men, with highly mixed views presented by different respondents in relation to the appropriate roles of women in such businesses, and their relative aptitude to achieve success if they were involved. Regardless of these perspectives, it was clear that women were significantly under-represented and this points to an area for further investigation and support, given women's prominent roles in water and sanitation generally.

The findings of this study can usefully support improved policy and practice in relation to the roles of enterprises in contributing to water and sanitation services. Knowledge of the most important entrepreneurial traits can assist organisations to target appropriate candidates when providing training and support. Equally, understanding the strong pro-social motivations of many entrepreneurs opens up a wider range of possible business models and forms of support for enterprises. Knowledge of the key barriers affecting different enterprise types demonstrates where both government and external agencies should direct attention to reduce such barriers and facilitate enterprise roles.

# 1 INTRODUCTION

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This document presents research on the motivators, drivers and barriers influencing small-scale enterprise roles in water and sanitation services in Indonesia, specifically in the three provinces of Java Island and in Nusa Tenggara Timur (NTT).

## 1.1 BACKGROUND AND OBJECTIVES

### 1.1.1 Background

The basis for Civil Society Organisations (CSOs) to work with private and social enterprises is a shared interest in the value of WASH services for the poor. CSOs have an interest in understanding what motivates enterprises' involvement in WASH service provision for the poor and perspectives from enterprises about their businesses. For instance: Is the core motivation simply profit or are there more complex, extensive motivations? This study draws on literature in the fields of small-scale enterprises, entrepreneurship and social entrepreneurship to develop its theoretical basis.

### 1.1.2 Research objectives

The purpose of this study is to explore the motivators and drivers of small-scale enterprises involved in water and sanitation service provision. In doing so, it considers how these motivations may be harnessed, and provides evidence based on the key real and perceived 'barriers to entry' and business risks within Indonesia's culture and regulatory environment.

Three types of enterprises were targeted in this study:

1. sanitation entrepreneurs, providing sanitation products and services in rural areas
2. water service providers, existing in the form of cooperatives or village-owned enterprises in rural contexts
3. sludge removal businesses, operating in urban and small town contexts.

### 1.1.3 Research questions

The research questions were as follows:

1. To what extent do enterprise and entrepreneurs engaging in water and sanitation services exhibit the typical characteristics of entrepreneurs or social entrepreneurs documented in the literature?
2. How have traditional or other 'barriers to entry' affected the success of enterprises and of entrepreneurs engaging in water and sanitation services?
3. What are the implications for effective forms of support to such enterprises, such that they may further develop and play a role in serving the poor?

### 1.1.4 Research framework

This research drew on theories on entrepreneurship and social entrepreneurship, including key characteristics of entrepreneurs described in the literature (Ernst 2012; Freytag and Thurik 2007; Cromie 2000; Light 2011; Nyssens and Defourney 2010; Rauchand and Frese 2007; Robson

2010; Terjesen et al 2011). The study also considered literature on traditional ‘barriers to entry’ for enterprises (e.g. access to credit, market uncertainty, skill requirements and policy environment) to categorise barriers faced by enterprises (Kelley 2013; Porter 1998; Porter 2008; Reynolds 2000; Robson 2010; Sinha 1996; Indarti and Langenberg 2004; Indarti and Rostiani 2008). This qualitative study involves interviews with female and males involved in existing enterprises. Opportunities for, and constraints on, women’s participation in enterprise development are examined.

## 1.2 METHODOLOGICAL DESIGN

### 1.2.1 Sample and sampling method

The research sites and starting points to develop the sample are shown in Table 1.

Sub-sector	Research site	Sample components
1. Sanitation products and services	Central Java (Grobogan) East Java (Surabaya, Lamongan, Jombang, Blitar, Tulung Agung, Trenggalek, Probolinggo, Malang, Nganjuk, Kediri, Sidoarjo) NTT (Manggarai Timur, Timor Tengah Utara)	Members of sanitation entrepreneur’s association APPSANI Members/ex-members of sanitation entrepreneur’s association PAPSIGRO Sanitation entrepreneurs trained by Plan Indonesia
2. Water service providers	West Java (Cianjur, Bandung) East Java (Lamongan, Tulung Agung, Blitar, Malang)	Formalised water enterprises developed with support from the World Bank Water and Sanitation Program
3. Sludge removal businesses	West Java (Bandung) Central Java (Solo, Yogyakarta) East Java (Nganjuk, Kediri)	Sludge removal businesses engaging with and identified by the World Bank Water and Sanitation Program

**Table 1: Sample locations**

Effort was made to include the following types of enterprise in the sample:

- successful, and
- less successful or failed enterprises

The total number of enterprises covered in this study for each sector was 56 sanitation enterprises, 24 sludge removal enterprises, and 21 water provider enterprises. Details of the sample for each sector in each location are presented in Annex 1.

### 1.2.2 Data and data collection

Data collection was undertaken in two phases:

- piloting of research tools (in NTT in June 2014 by the University of Technology, Sydney, and in Bandung in September 2014 by Universitas Gadjah Mada (UGM)).
- complete data collection (oversight and quality control by two UGM researchers, data collection undertaken by nine master’s students in October–November 2014)

A structured questionnaire was administered through face-to-face interviews.

### 1.2.3 Data collection tools

The main instrument was a structured questionnaire that examined the following key areas:

- demographics related to the owner/manager (e.g. age, education), and to the enterprise itself (size, profit, assets, employees etc.)
- motivations, entrepreneurship traits and pro-social traits
- contextual factors (finance, marketing, human resources, operations, government and regulation)

A combination of open-ended questions and closed questions was used to enable triangulation of findings. In-depth responses were sought in certain areas.

### 1.2.4 Data Analysis

An analytical framework was developed to guide the analysis process. This framework, which supported the testing of hypotheses, was developed from the literature (Ernst 2012; Freytag and Thurik 2007; Indarti and Langenberg 2004; Kelley 2013; Porter 1998; Porter 2008; Reynolds 2000; Robson 2010; Sinha 1996) and covers the following areas:

1. evidence of entrepreneurial traits
2. evidence and level of pro-social traits
3. level of success of different enterprises
4. factors influencing success (including demographic variables; cultural context; entrepreneurial traits, personality and skills; contextual factors; and gender).

Addressing the first three analytical areas described above involved scoring of each enterprise based on their responses to relevant questions. Evidence of entrepreneurial traits was assessed based on a set of quantitative questions and qualitative questions which tested for the presence of the five characteristics: proactive approach, need for independence, need for achievement, innovativeness, and risk taking propensity. Evidence of pro-social traits was assessed by analysing responses to questions concerning the entrepreneurs' goals, motivations and benefits, future prospects, and existence of strategies to reach the poor. In turn, the level of success was assessed by analysing the enterprises' profit growth after establishment and over recent years, monthly revenue in the past year, amount of accumulated assets per year (Rp/yr), and clarity of vision about the future of the business. In the case of water enterprises, the monthly revenue was adjusted to account for differences in the total number of households and institutions served.

A scoring protocol was developed and inter-rater reliability was tested and confirmed for the four researchers undertaking the analysis. Based on this, each enterprise was categorised according to the number and type of entrepreneurial traits demonstrated, the level of pro-social traits (weak, medium and strong pro-social traits) and level of success (unsuccessful, some success, and high success).

The categorisation of levels of pro-social traits and levels of success involved the use of a clustering algorithm – the k-means clustering algorithm (Hartigan and Wong 1979). The algorithm could not deal with the complexity of the variables affecting the water enterprises, and hence a more detailed categorisation process for levels of success was developed as follows:

- criteria for unsuccessful enterprises: profit declining over recent years
- criteria for highly successful enterprises:
  - enterprise's profit increased over recent years and amount of accumulated assets (Rp/yr) of IDR 400.1 million or above.

- enterprise's profit increased over recent years and a monthly revenue of IDR 10,000/customer or more
- amount of accumulated assets (Rp/yr) of IDR 400.1 million or above and a monthly revenue of IDR 10,000/customer or more
- enterprise's profit had remained stable over recent years and normalised monthly revenue of IDR 35,000/customer or more.
- some success: all enterprises that didn't meet any of the above criteria.

Qualitative responses were categorised into relevant themes (allowing quantitative analysis of their recurrence) and also according to the use of illustrative quotes across both common and atypical perspectives.

### **1.2.5 Limitations**

This study included a variety of limitations in the methodology. As a mixed method study, the approach included both quantitative and qualitative design. The sample size of the enterprises allowed for some recognition of trends and comparisons, particularly when complemented by the qualitative data, however such findings can only be considered indicative without expanding the study to a larger sample size. Secondly, the interview data was varied in quality, with some data demonstrating depth of interrogation in participant responses, and other data brief and insubstantial. Thirdly, the interviewee responses were translated from Bahasa Indonesia to English by the in-country researchers, and may not always fully represent how participants expressed themselves.

## 2 ENTERPRISE CHARACTERISTICS

This section describes the three types of enterprises targeted in this study: sanitation enterprises, water service providers, and sludge removal businesses. In characterising these enterprises two dimensions were considered: the characteristics of the entrepreneur or leader or owner of the enterprise, and the characteristics of the enterprise itself. Characteristics of the entrepreneur or leader or owner of the enterprise included gender, age, education, work experience and time commitment. Characteristics of the enterprise included years of operation and geographic location, size and staff composition, legal status, source of capital, products and services offered, customer composition, association membership and marketing strategies. Family involvement in the business were also characterised for sanitation and sludge removal enterprises.

### 2.1 PROFILE OF SANITATION ENTERPRISES

A total of 56 sanitation entrepreneurs were interviewed. These were predominantly male, in the age bracket of 26–55 years old, highly educated, and with previous work experience across a variety of sectors. Most also devoted their time to other concurrent jobs to the sanitation business, and operated mainly in rural areas. The businesses were also predominantly informal micro-sized businesses with no more than five years of operation and relied on personal savings as the main source of business capital. Toilet pans and installation of the full toilet package without superstructure were offered by most businesses. The main customers of most businesses were households and word of mouth was the most commonly used marketing method.

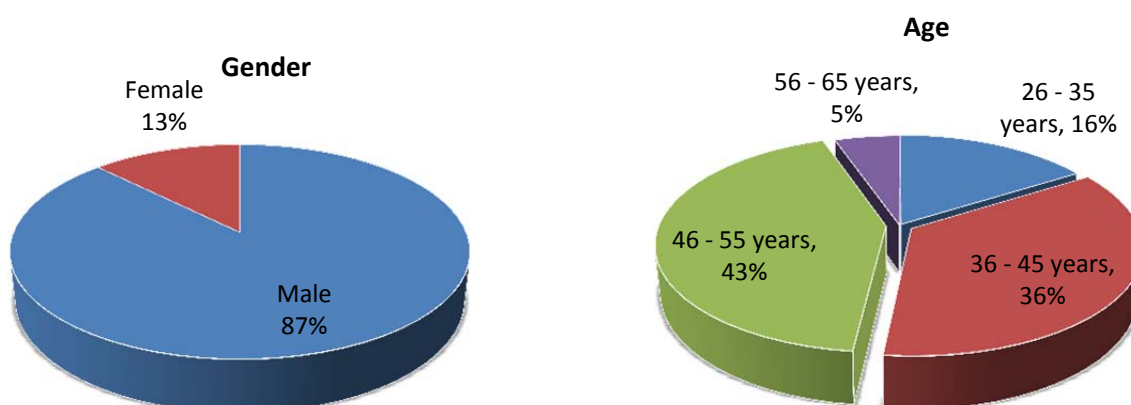
The following sections describe these characteristics in more detail.

#### 2.1.1 Sanitation entrepreneurs

##### *Gender, age and education*

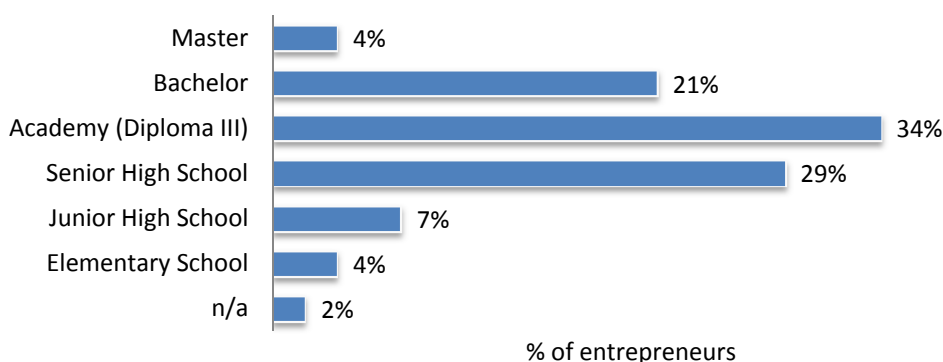
Most of the 56 respondents were male (87%) and 79% were between 36 and 55 years old (Figure 1), and educated. Most (59%) had a university background, such as a Diploma III (34%), a bachelor’s degree (21%), or a master’s degree (4%) (Figure 2).

**Figure 1. Gender and age of sanitation entrepreneurs**





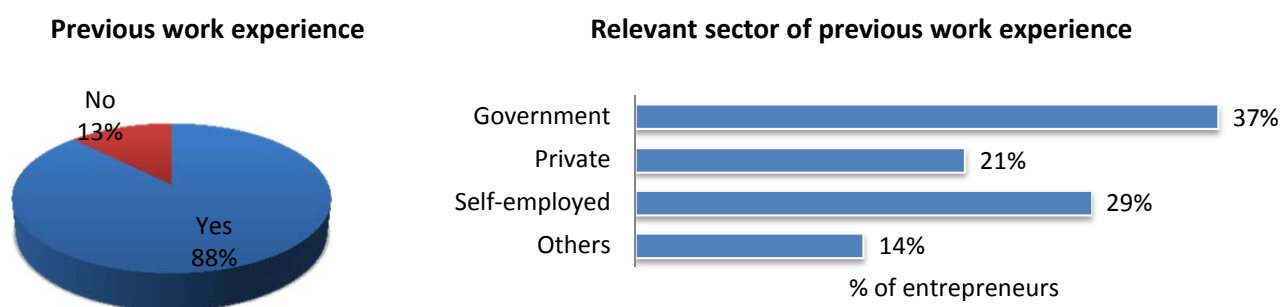
**Figure 2. Education level of the sanitation entrepreneurs**



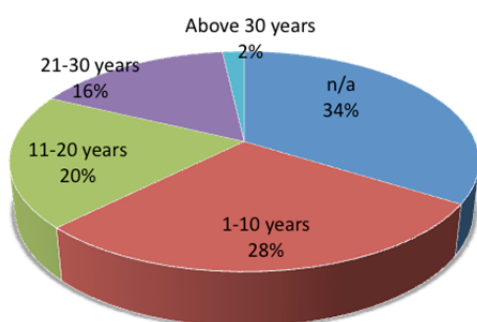
***Work experience and time commitment***

The majority of the respondents (88%) had previous work experience in various sectors, such as government (37%) and the private sector (21%). A proportion of them (29%) also had previous experience in running another type of business (Figure 3). Further, more than thirty respondents (36%) said that they had been working for between 10 and 30 years, and 2% claimed that have more than 30 years of working experience (Figure 4).

**Figure 3. Previous work experience of the sanitation entrepreneurs**

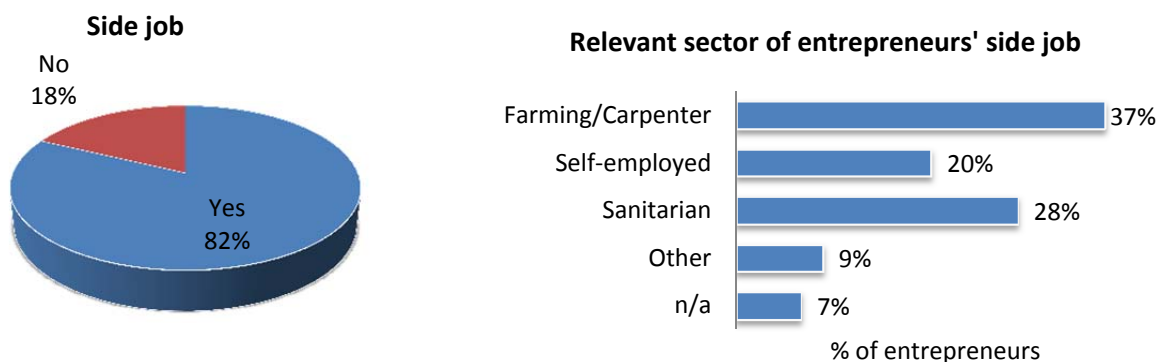


**Figure 4. Length of previous work experience**



Most sanitation entrepreneurs did not devote their time entirely to their sanitation business and 82% said they had a side job, such as farming and carpentry (37%), sub-district government sanitarian (28%), and another business (20%), as depicted in Figure 5. One entrepreneur whose side job was farming reported: *“I focus my efforts on my sanitation business when orders comes or when the harvesting season is finished”*. Another entrepreneur said: *“My main job is actually as a civil servant. So I usually spent my time for this business after working hours”*.

**Figure 5. Side jobs of the sanitation entrepreneurs**

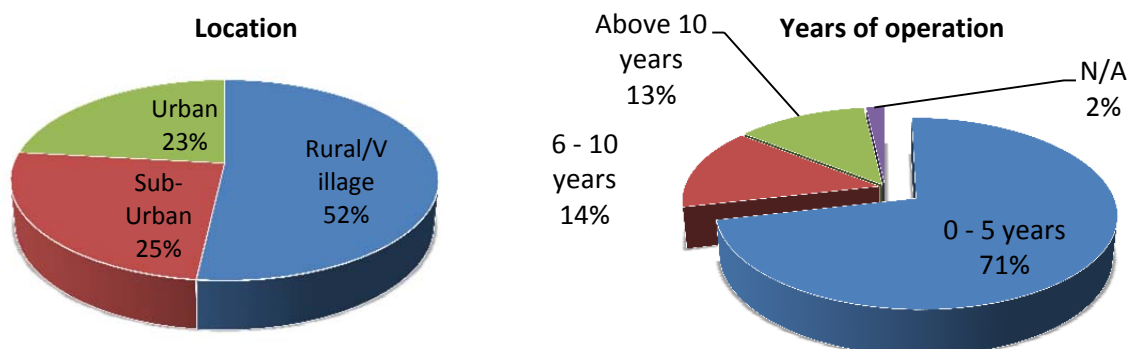


### 2.1.2 Sanitation enterprises

#### *Location and years of operation*

More than half (52%) of the enterprises were located in rural areas and the majority (71%) had been operating for five or less years, with some respondents stating that they started the business after they received sanitation training from the government or NGOs (Figure 6).

**Figure 6. Location and years of operation of the sanitation enterprises**

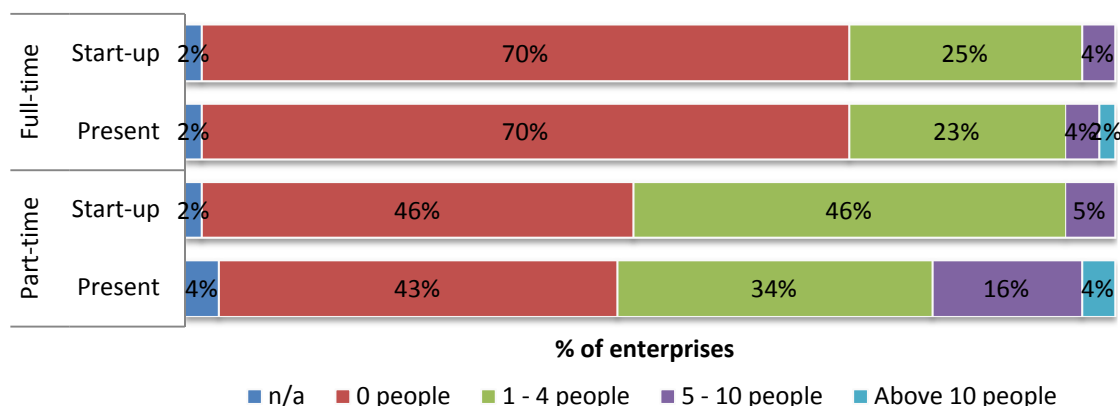


#### *Size and staff composition*

A common way of characterising the size of enterprises is by the number of employees. Almost all enterprises in this study were micro-enterprises. Approximately 30% operated as sole trading businesses, 13% only employed full-time staff, 38% employed only part-time staff, and 16% employed both full-time and part-time staff.

As Figure 7 shows, a large proportion (93%) had fewer than five full-time employees and 77% had fewer than five part-time employees. Further, most enterprises (70%) started with no full-time staff aside from the owner, and at the time of the interviews, the same proportion had no other full-time employees. Similarly, the proportion of enterprises that started with one to four people at start-up (25%) is similar to the proportion with one to four employees at the time of the interviews (23%). Concerning part-time employees, the proportion of enterprises that started with no part-time staff in addition to the owner (46%), was similar to the proportion at the time of the interviews (43%). In contrast, the proportion of enterprises that started with one to four employees (46%) fell to 34% the time of the interviews, whereas the proportion of enterprises that started with five to ten part-time employees increased to 16% (Figure 7).

**Figure 7. Proportion of sanitation enterprises with different numbers of full-time and part-time employees of at start-up and at the time of the interviews**



**Legal status and family involvement**

Only a small proportion of the enterprises (9%) had formal legal status (Figure 8). This is a common situation in Indonesia, particularly with micro-sized and small businesses (van Geenhuizen et al., 2010; Indarti, 2010). Almost half of the respondents (46%) stated that family was or had been actively involved in the business, although this was mainly in the form of moral support and advice. Only a few (5%) stated that they received financial support from the family to start the business.

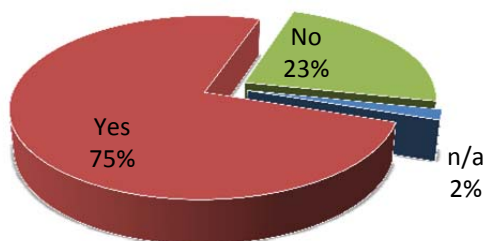
**Figure 8. Legal status of the sanitation enterprises and family involvement in the business**



**Association membership**

As Figure 9 shows, the majority of the entrepreneurs (75%) were members of a sanitation related association (APPSANI or PAPSIGRO).

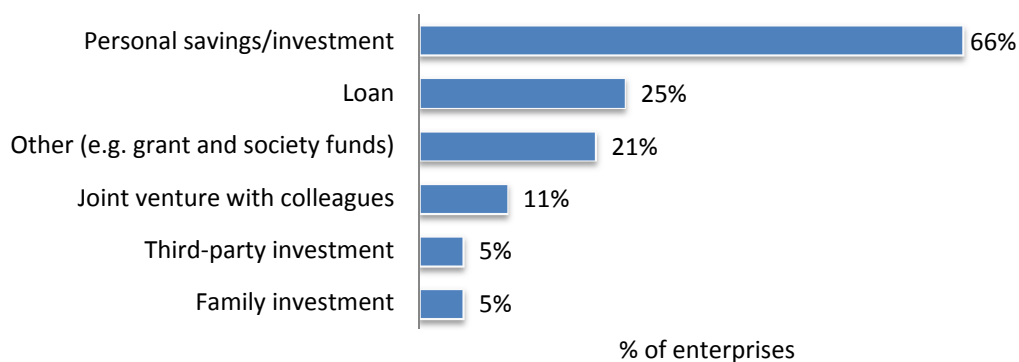
**Figure 9. Proportion of entrepreneurs who were members of sanitation related association**



**Source of capital**

The main sources of capital for the businesses were personal savings (66%), loans from banks or financial institutions (25%), and other sources such as grants and society funds (21%) (Figure 10).

**Figure 10. Sources of capital of the sanitation enterprises**



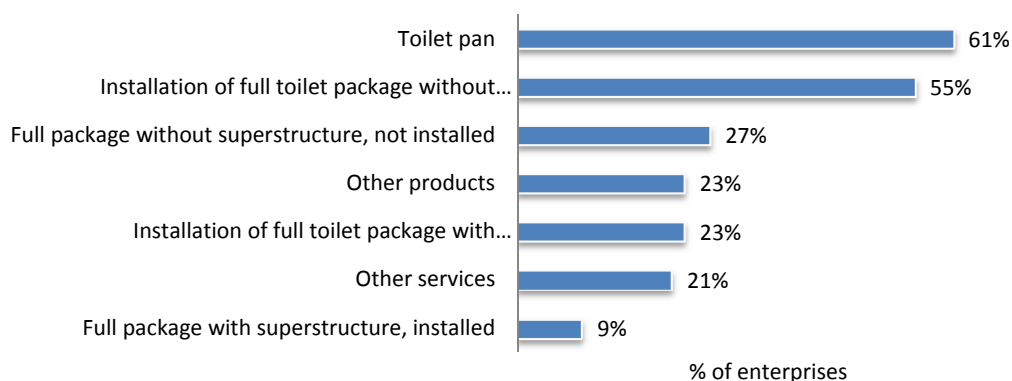
**Products and services offered**

A diversity of sanitation products and services was offered by the sanitation businesses ( Figure 11). Of the products offered, the most common was the toilet pan, offered by 61% of the enterprises, and about one-third of these focused in selling this product only. This was followed by the full toilet package<sup>1</sup> without superstructure, offered by 27% of the enterprises, and other products such as feces or bacterial decomposers, which were offered by 23% of the enterprises.

More than half of the enterprises (55%) provided installation services of the full toilet package without superstructure, and 23% provided installation services, which included the superstructure. A smaller proportion of enterprises (21%) also offered other types of services such as pit emptying, installation of infiltration wells, and sludge removal or sewage treatment (Figure 11).

<sup>1</sup> Full toilet packages include the toilet pan and all necessary materials used to build a toilet system, not including its installation or the installation of a septic tank.

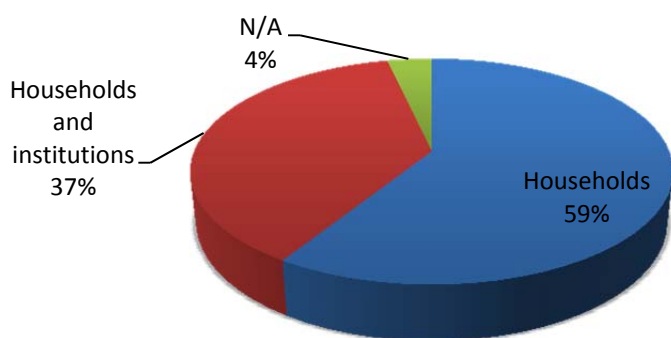
**Figure 11. Products and services offered by the sanitation enterprises**



**Customer composition**

The majority of the enterprises (59%) served households only, whereas 37% served both households and institutions such as mosques, churches, public schools, hospitals, and government and private offices (Figure 12).

**Figure 12. Customer composition of sanitation enterprises**

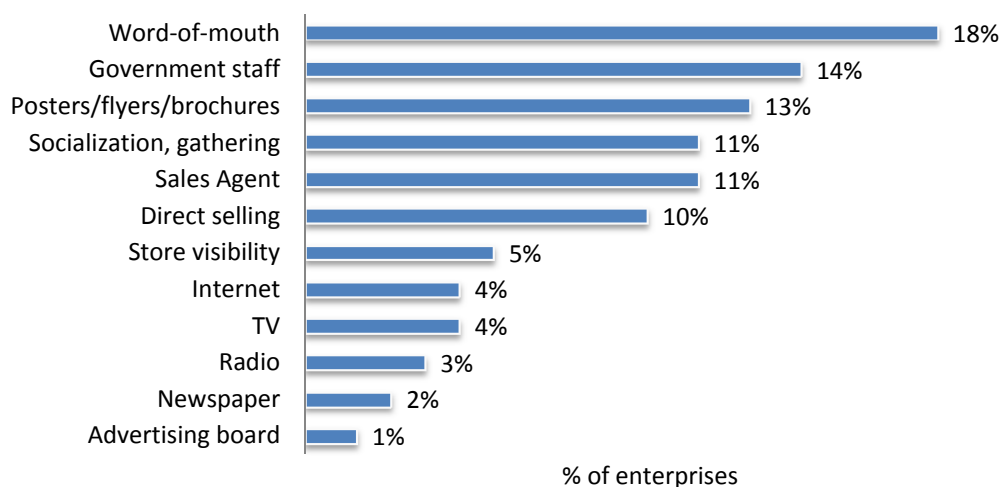


Further, of the enterprises that served both households and institutions, the majority (86%) served predominantly individual customers. In these enterprises, individual customers comprised 60% or more of their customer base. Only a small proportion (14%) had a customer base in which 60% or more of the clients were institutional customers.

**Marketing methods**

Different marketing methods were used to market the business as Figure 13 shows. Of these, word of mouth was the most common strategy (18%), and was considered the most effective form of promotion. This was followed by promotion through government staff (14%), and posters/flyers/brochures (13%) (Figure 13). Entrepreneurs that operated in suburban and rural areas claimed that community social gatherings such as PKK (Pembinaan Kesejahteraan Keluarga – family welfare coaching in society) meetings were effective ways to approach prospective customers, while in urban areas, the use of sale agents was considered to be more effective.

**Figure 13. Marketing strategies used by the sanitation enterprises**



## 2.2 PROFILE OF WATER ENTERPRISES

A total of 21 water enterprise leaders were interviewed. These were all male, aged between 26 and 55, with a high level of education, and with more than five years of previous work experience mainly in the public sector. The majority also had another occupation in addition to the water enterprise. Most water enterprises were located in rural areas and had been operating for ten years or more, and had formal legal status as village-owned enterprises or cooperatives. The enterprises were predominantly small with a workforce of six to ten people. Third party investment from donors or government was the main source of business capital. Most enterprises limited their services to water supply and covered one to four villages. Word of mouth and direct selling were the most commonly used marketing methods.

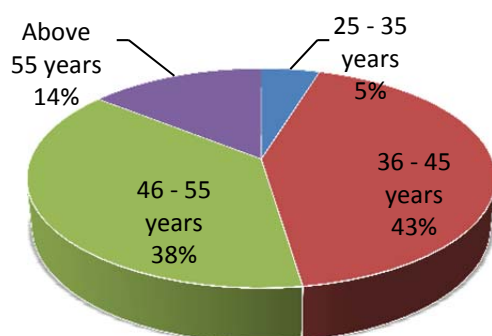
The following sections describe these characteristics in more detail.

### 2.2.1 Water enterprise leaders

#### *Gender, age and education*

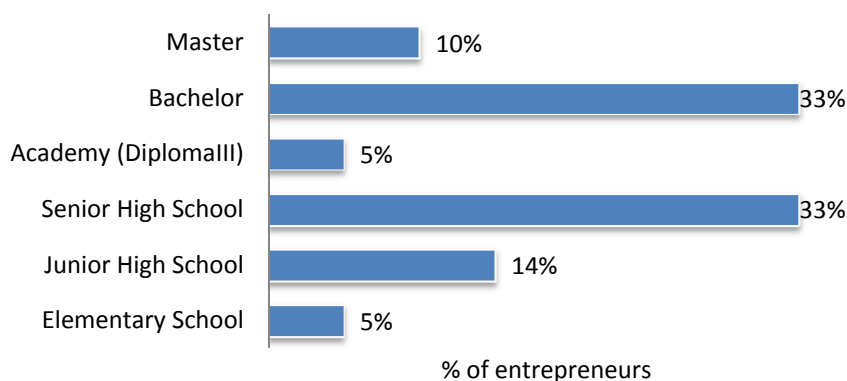
All 21 respondents were male (100%) and 81% were aged between 36 and 55 (Figure 14). All respondents had completed elementary school, and close to half (48%) had a university degree such as a Diploma III (5%), a bachelor’s degree (33%), or a master’s degree (10%) (see Figure 15).

**Figure 14. Age of the water enterprise leaders**





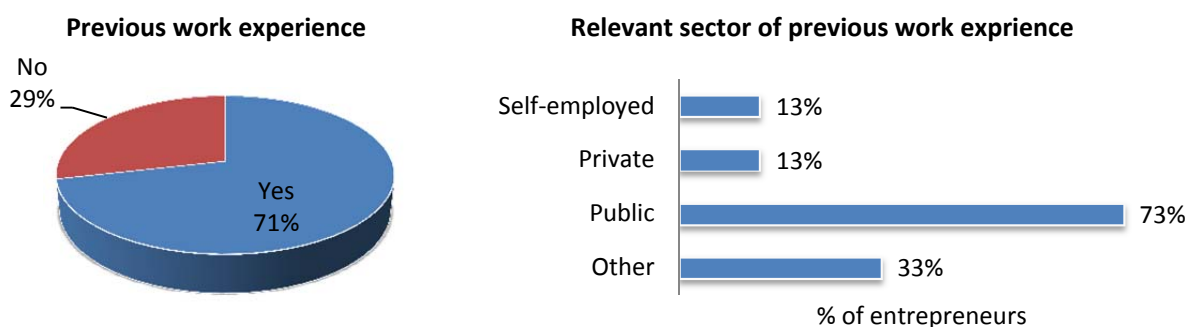
**Figure 15. Previous education of the water enterprise leaders**



***Work experience and time commitment***

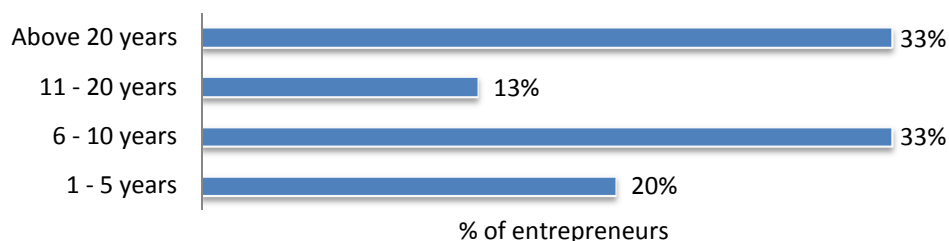
Most respondents (71%) had previous working experience in sectors such as the public sector (73%) and private sector (13%). Some (13%) also had experience in running their own business in other areas, and 33% had experience in other occupations such as farming, public accountancy, truck driving, religious teaching, and agribusiness (Figure 16).

**Figure 16. Previous work experience of the water enterprise leaders**



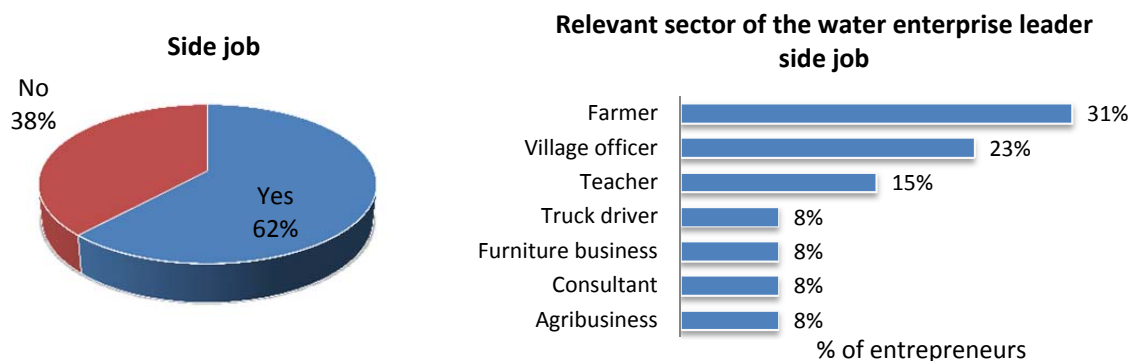
Of the 15 respondents that reported having previous working experience, a large proportion (46%) had been working for 11 years or more, and 33% had between 6 and 10 years' experience (Figure 17).

**Figure 17. Length of previous work experience**



Most water enterprise leaders (62%) had a parallel occupation to their role in the water enterprise (Figure 18) such as farming (31%), village government official (23%), teaching (15%), truck driving (8%), truck driving (8%), owner of a furniture business (8%), agribusiness (8%) or and consultancy (8%).

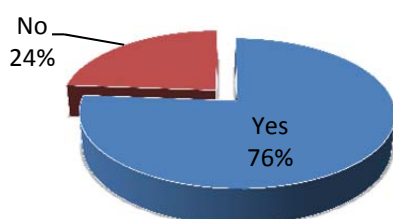
**Figure 18. Other job of the water enterprise leaders**



*Association membership*

As Figure 19 shows, the majority (76%) of the respondents were members of a water related association.

**Figure 19: Membership in water related association by the water enterprise leader**

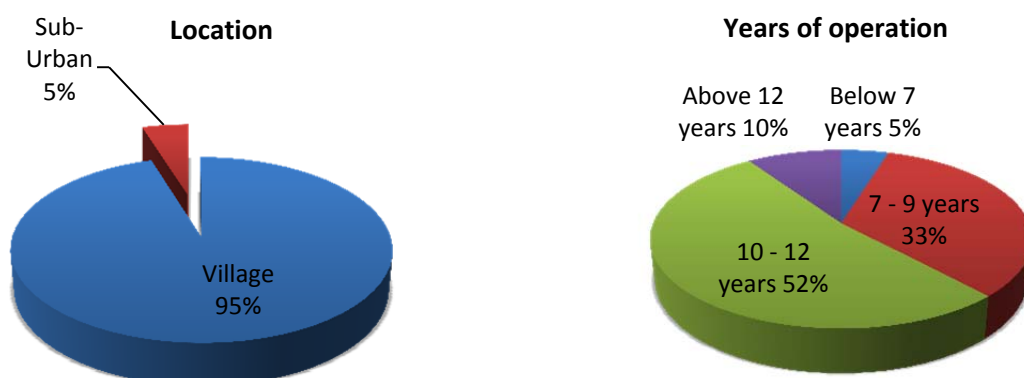


**2.2.2 Water enterprise**

*Location and years of operation*

Most of the water enterprises (95%) were located in rural areas and more than half (62%) had been in operation for more than ten years. A smaller proportion (33%) had been operating for between 7 and 9 years (33%) and less than 7 years (5%) (Figure 20).

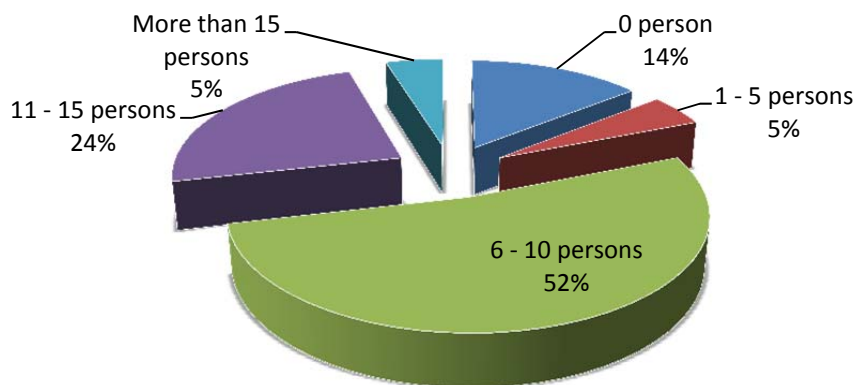
**Figure 20. Location and years of operation of the water enterprises**



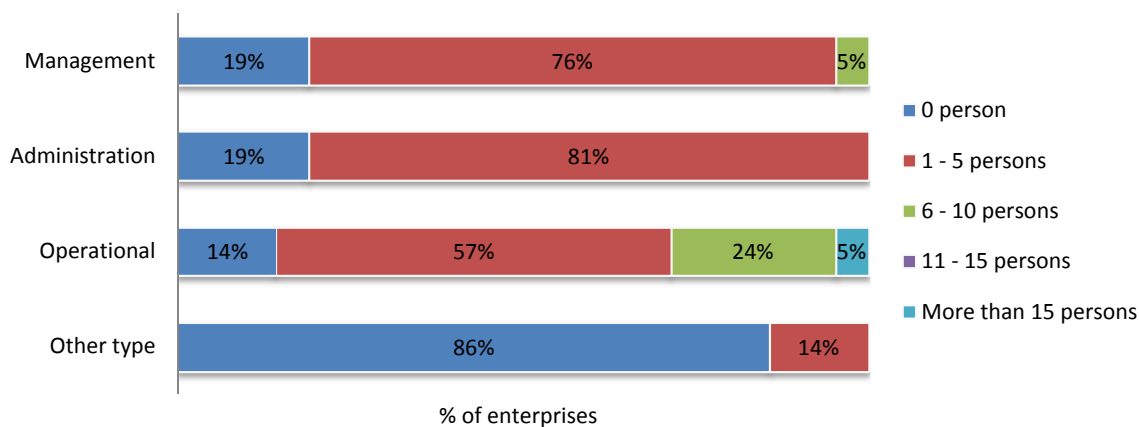
**Size and staff composition**

More than half of the water enterprises (52%) were small businesses with 6 to 10 full-time employees. A smaller proportion (29%) had 11 staff or more and 19% had 5 staff or less (Figure 21). Most enterprises had three areas or departments: management, administration and operations, and the majority of these departments had 1 to 5 people (Figure 22). Other type of functions that sat outside these departments included for example cleaning services.

**Figure 21: Number of full-time employees of the water enterprises**



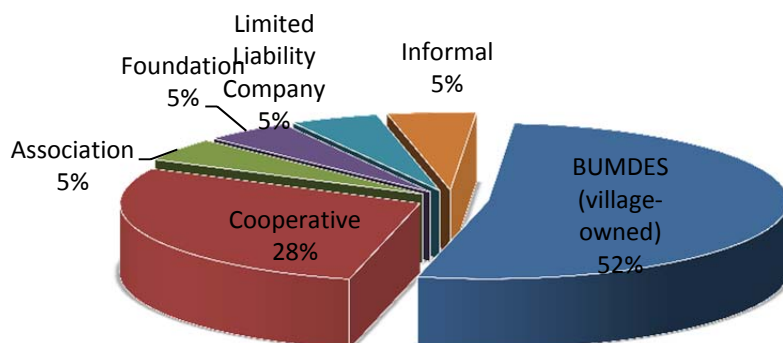
**Figure 22. Number of full-time employees of the water enterprises by department**



**Legal status and organisational types**

Only a small percentage (5%) of the water enterprises were operating informally. As shown in Figure 23, the majority (52%) were village-owned (badan hukum milik desa - BUMDES) enterprises. A smaller percentage (28%) were cooperatives, and 15% were equally distributed across other types of organisations such as associations, foundations and limited liability companies.

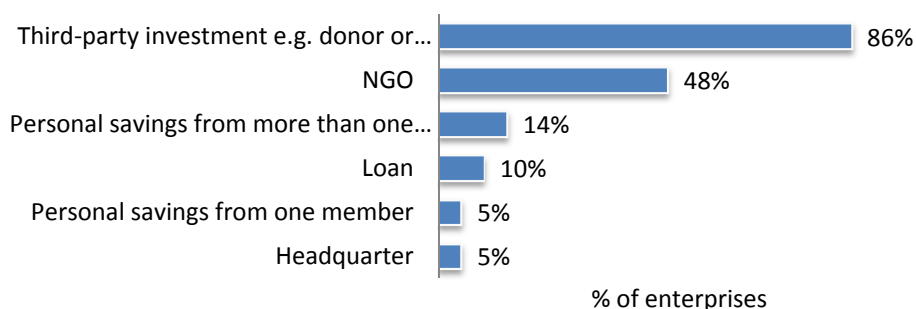
**Figure 23. Legal status and organisational types of the water enterprises**



**Source of capital**

The main sources of capital used by water provider enterprises were third-party investment such as government or donor (86%) and NGOs (48%). A smaller percentage (19%) also relied on personal savings from one or more members of the enterprise, and 10% used bank loans and 5% who were limited liability companies relied on capital from their headquarters (Figure 24).

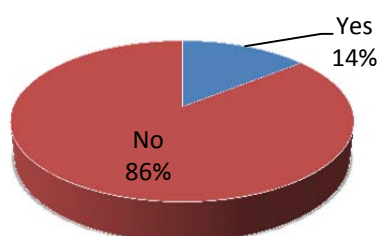
**Figure 24. Sources of capital of the water enterprises**



**Products and services offered**

Only 14% of the water enterprises provided products or services in addition to water service provision, such as installation of pipes and refilling of drinking water sold at Kiosks (Figure 25).

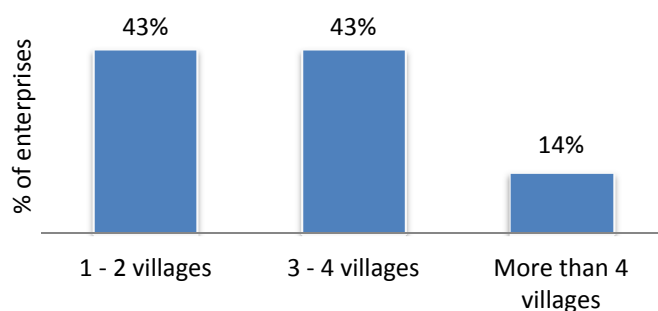
**Figure 25. Proportion of water enterprises providing products or services in addition to water service provision**



**Customer composition and coverage area**

Almost all water enterprises (86%) served both households and institutions, and as Figure 26 shows, only 14% served more than four villages.

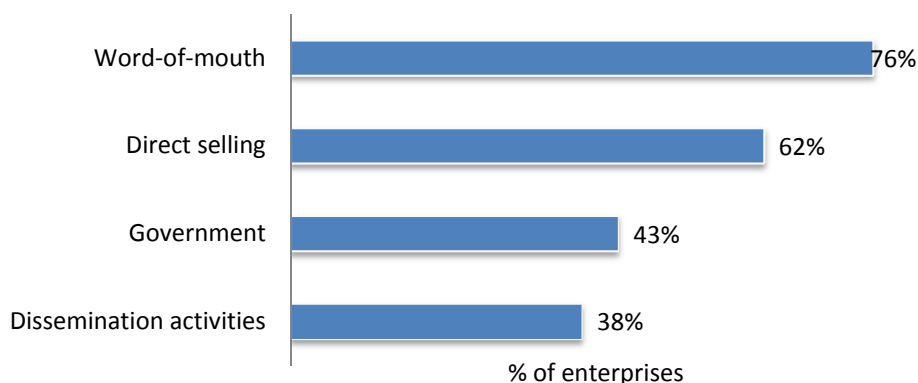
**Figure 26. Coverage area of the water enterprises**



**Marketing methods**

Different marketing methods were used by the water enterprises. As Figure 27 shows, the most commonly used were word of mouth (76%), direct selling (62%), government (43%) and dissemination activities (38%).

**Figure 27. Marketing methods used by the water enterprises**



## 2.3 PROFILE OF SLUDGE REMOVAL ENTERPRISES

Representatives of 24 sludge removal enterprises were interviewed. These were predominantly male, aged 26–55, with a high level of education, and with more than five years of previous work experience mainly in the private sector or running other types of businesses. Half also devoted their time to other jobs in parallel to the sludge removal business and were operating mainly in rural areas. The businesses were also predominantly informal micro-sized businesses with more than five years of operation and relied on personal savings as the main source of business capital. Most businesses offered de-sludging services only and served both households and institutions. Word of mouth was the most commonly used marketing method.

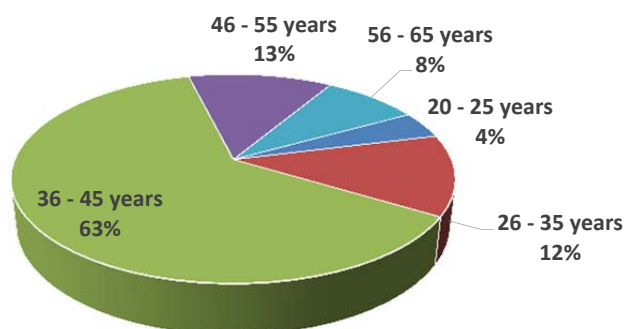
The following sections describe these characteristics in more detail.

### 2.3.1 Sludge removal entrepreneurs

*Gender, age and education*

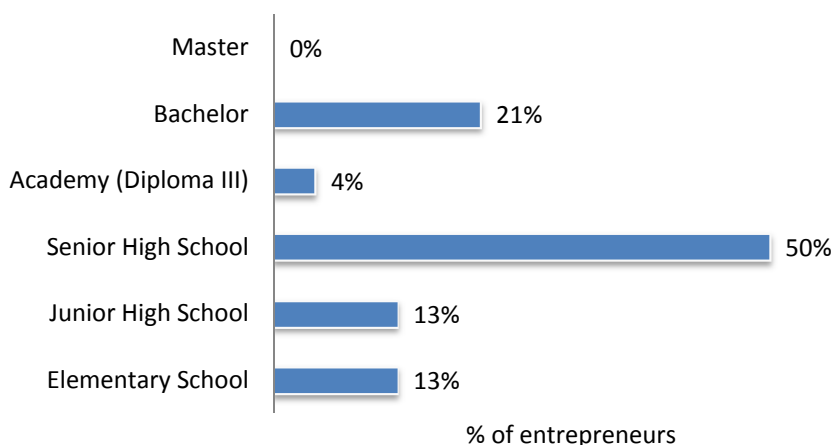
The respondents were predominantly male (96%) and aged between 36 and 55 (63%) (Figure 28).

**Figure 28. Age of the sludge removal entrepreneurs**



More than half of the entrepreneurs (75%) had completed senior high school or an education level above, and the remainder had completed either junior high school (13%) or elementary school (13%) (Figure 29).

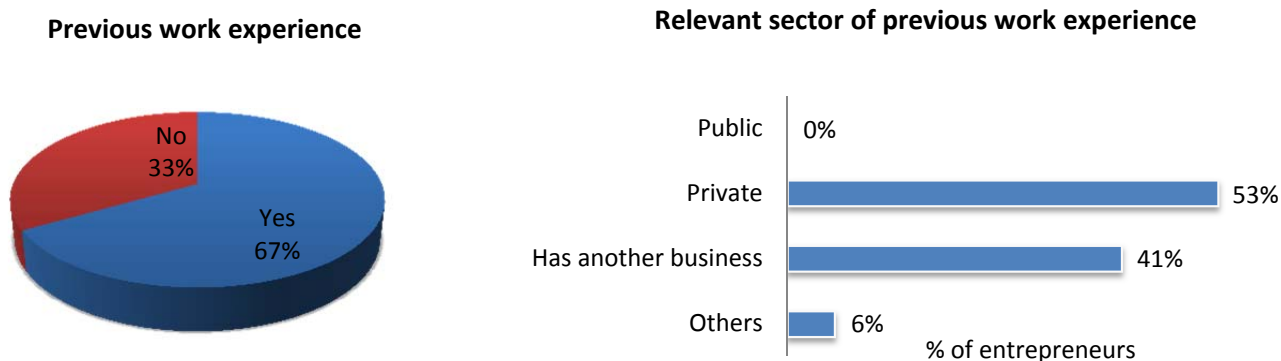
**Figure 29. Previous education of the sludge removal entrepreneurs**



***Work experience and time commitment***

The majority of the respondents (67%) had previous work experience in the private sector, either as an employee in a private company (53%) or in running another business (41%) (Figure 30). Those in the ‘Other’ category stated that they had worked in many kinds of places in a short period of time.

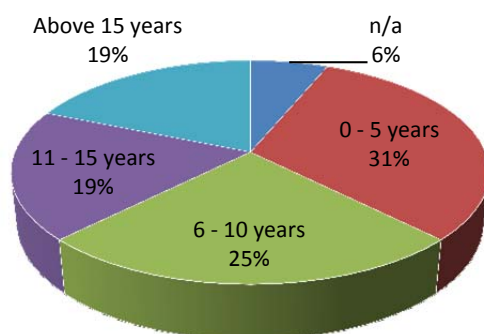
**Figure 30. Previous work experience of the sludge removal entrepreneurs**





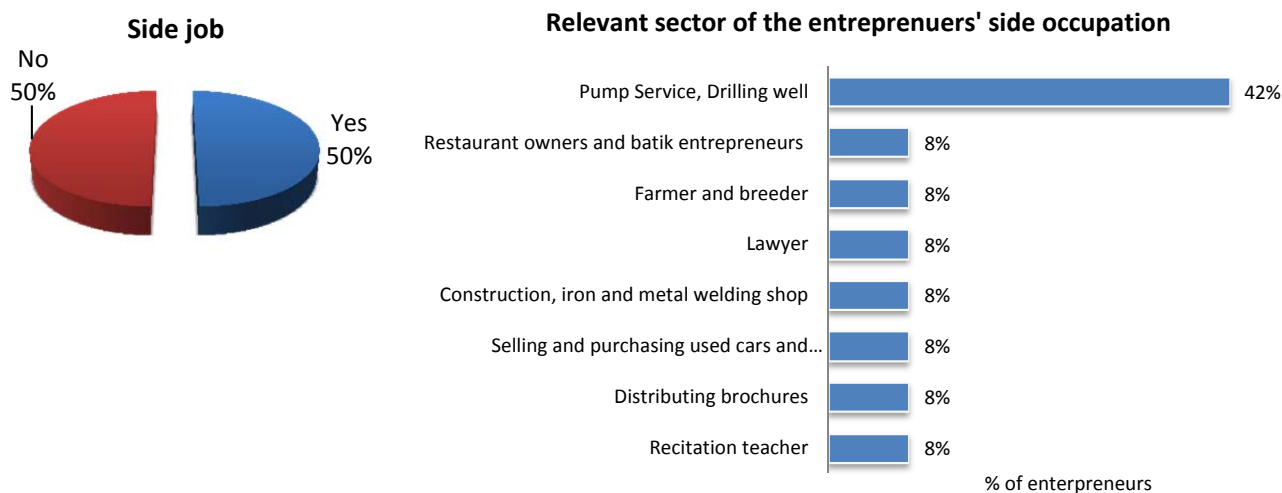
Amongst the entrepreneurs that had had previous work experience, most (63%) had 10 or more years of experience (Figure 31).

**Figure 31. Length of previous work experience of the sludge removal entrepreneurs**



Half of the respondents did not devote their time entirely to the sludge removal business and reported that they had concurrent job. Of these, a large proportion (42%) provided pump services and well drilling services (42%). Other side jobs performed by smaller proportions of the respondents included farming, restaurant or batik businesses, lawyer and legal services and teaching (Figure 32).

**Figure 32: Other jobs of the sludge removal entrepreneurs**

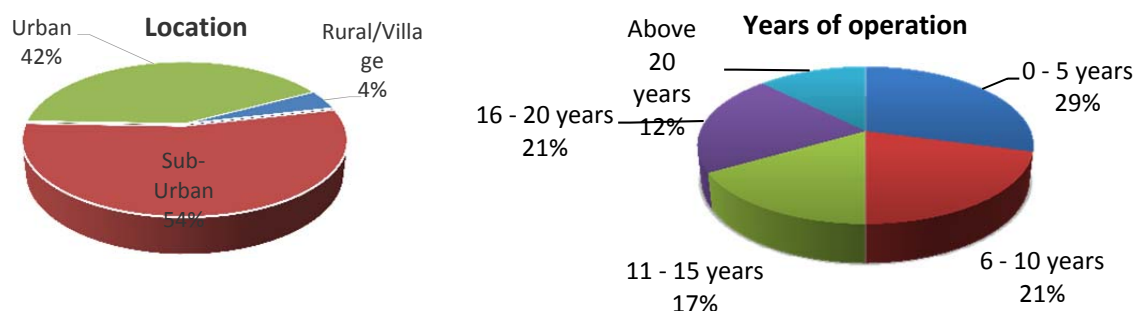


### 2.3.2 Sludge removal enterprises

#### *Location and years of operation*

The majority of the businesses (96%) were located in urban or suburban areas (Figure 33) and more than 70% had been operating for more than 5 years.

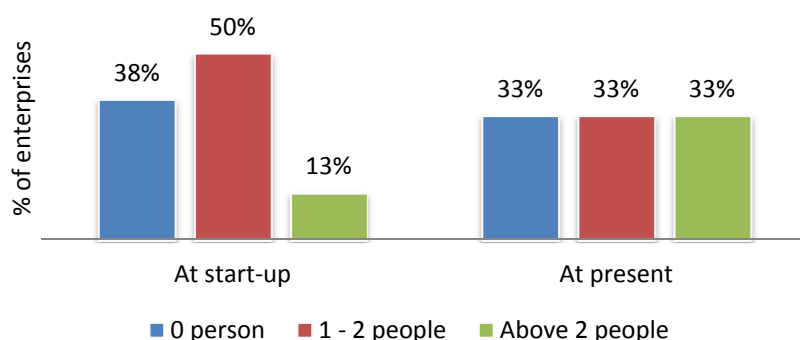
**Figure 33: Location and years of operation of the sludge removal enterprises**



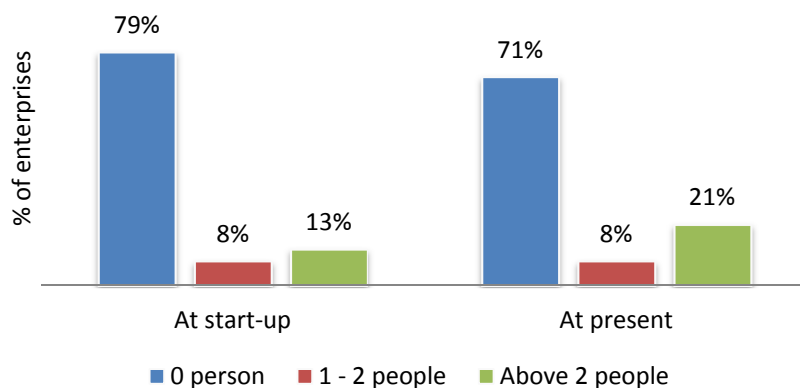
**Size and staff composition**

In the majority of the cases (63%), the enterprises had started with one or more people in addition to the business owner (Figure 34). At the time of the interviews, 79% of firms had 2 or less part-time employees compared to 87% at start-up. At the time of the interviews, 21% had more than 2 part-time employees, compared to 13% at start-up" (Figure 35).

**Figure 34: Number of full-time employees of the sludge removal enterprises**



**Figure 35. Number of part-time employees of the sludge removal enterprises**

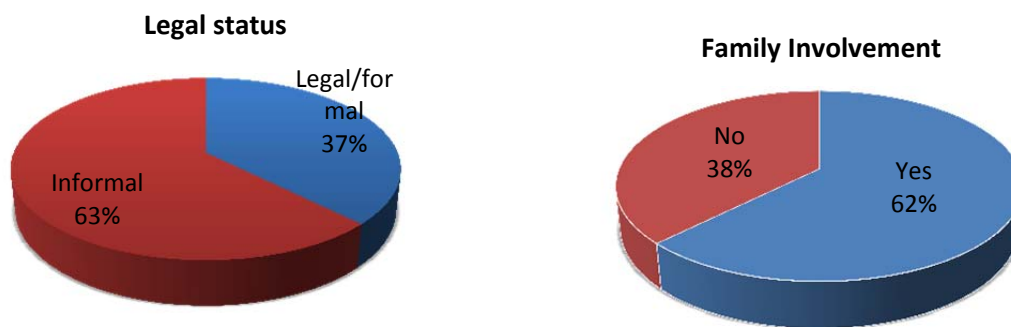


**Legal status and family involvement**

Most of the businesses (63%) were informal (Figure 36), a common situation amongst businesses in Indonesia, especially for micro-sized and small firms (e.g. van Geenhuizen et al., 2010;

Indarti, 2010). Moreover, the majority of the respondents (62%) stated that family was or had been actively involved in the business (Figure 36), either in the form of moral support and advice or financial support.

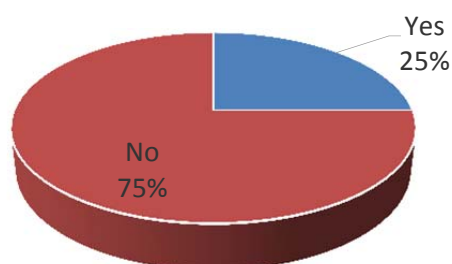
**Figure 36. Legal status of the sludge removal enterprises and family involvement in the business**



*Association membership*

As Figure 37 shows, the majority of the entrepreneurs (75%) reported that they were not members of sludge removal related association (e.g. PATSY).

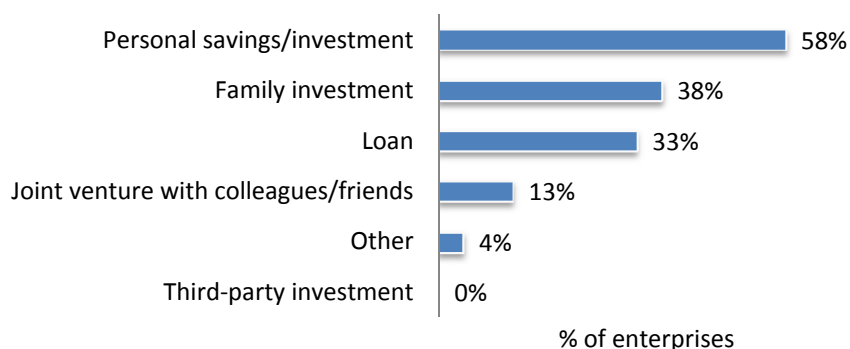
**Figure 37. Sludge removal association membership**



*Source of capital*

A diversity of sources of capital was used by sludge removal businesses. The most frequent source of capital was personal savings (58%), followed by family investment (38%), and loans (33%) from banks or other financial institutions. A smaller proportion of businesses also accessed capital through joint ventures with colleagues or friends (13%) and ‘other’ (4%) such as joint ventures with family (Figure 38).

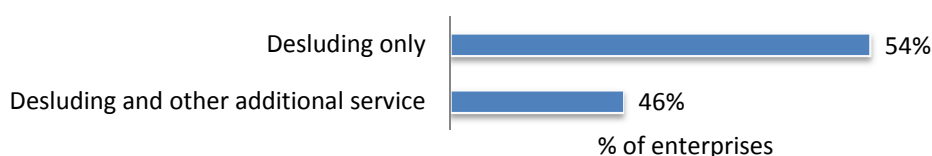
**Figure 38. Source of capital of the sludge removal enterprises**



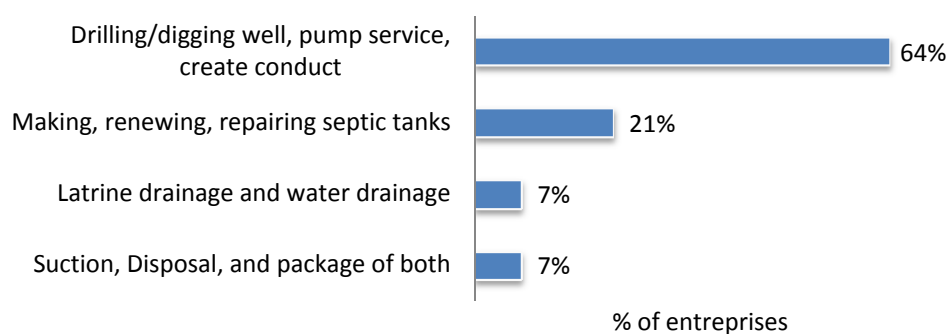
***Products and services offered***

More than half of the businesses (54%) offered de-sludging services only, while the rest (46%) provided other services in addition to this (Figure 39). Additional services provided included well drilling/pump services (64%), building or repairing septic tanks (21%), and construction of drainage systems (Figure 40).

**Figure 39. Products and services offered by the sludge removal enterprises**



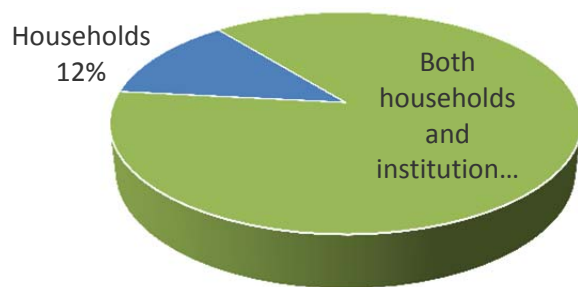
**Figure 40. Additional product and services offered by the sludge removal enterprises**



***Customer composition***

The majority of the enterprises (88%) served both households and institutional customers and only a few (12%) targeted individual households only (Figure 41).

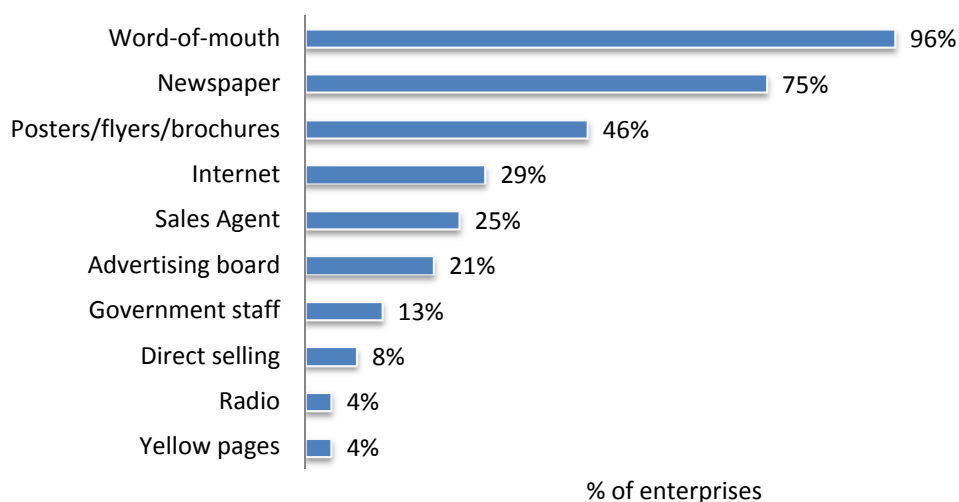
**Figure 41. Customer composition of sludge removal enterprises**



**Marketing methods**

Various marketing methods were used to market sludge removal services or products as Figure 42 shows. The most common promotion strategies were word of mouth (96%), newspapers (75%), and posters/flyers/brochures (46%). Other methods such as internet, sales agents and advertising boards were used by a small proportion (20–30%) of enterprises.

**Figure 42. Marketing strategies used by the sludge removal enterprises**



### 3 SANITATION ENTREPRISES

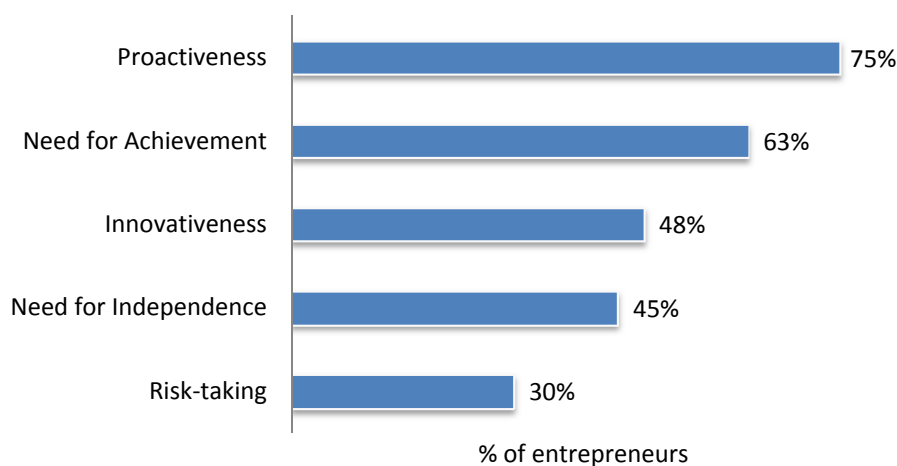
In this section we discuss the presence of entrepreneurial and pro-social traits and motivations amongst the sanitation entrepreneurs, as well as other types of motivations beyond pro-social motivations. We also analyse the different levels of success achieved across the sample and perceptions of successful entrepreneurs and success factors. Further, we discuss the relationship between success and a number of factors, including the characteristics of the sanitation enterprise and its owner, the respondents' entrepreneurial and pro-social traits, as well as contextual factors and gender.

#### 3.1 ENTREPRENEURSHIP AND ENTREPRENEURIAL TRAITS

Five entrepreneurial traits described by Ernst (2012) were considered: a proactive approach, need for independence, need for achievement, innovativeness, and risk taking. To test for the presence of these traits a set of quantitative questions and a set of qualitative questions were used.

As Figure 43 shows, the most dominant entrepreneurial traits amongst sanitation entrepreneurs were a proactive approach (75%) and need for achievement (63%).

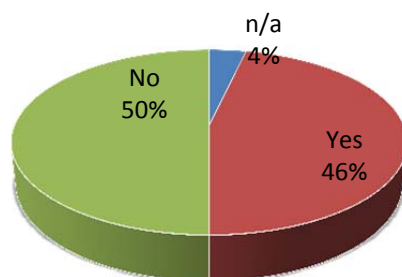
**Figure 43. Entrepreneurial traits demonstrated by sanitation entrepreneurs**



To test for the presence of innovativeness a question on whether the entrepreneur had developed new products or services for customers was used. Almost half of the respondents (46%) claimed that they had undertaken new product or service development as shown in Figure 44. However it should be noted here that in the context of micro-sized and small firms in Indonesia, 'new' product or service is considered as incremental improvement or modifications of an existing product or service. For example, one respondent explained that to improve sanitation products/services he just 'made the pan in a different colour to attract customers'. Other examples of product/service development included using roof-tiles for water absorption, changing the toilet-pan model, and developing marketing kits (e.g. pamphlets, brochures).



**Figure 44. Proportion of entrepreneurs that developed new products or services**



### 3.2 PRO-SOCIAL TRAITS AND MOTIVATIONS

The term pro-social is used to refer to the tendency of a person to voluntarily behave (or intend to behave) in a way that benefits others. Pro-social behaviour is usually carried out to promote wellbeing in the society (Brief & Motowidlo, 1996). Ernst (2012) identifies two core traits that characterise a pro-social personality: sense of social responsibility and empathy with the poor. The presence of these pro-social traits was assessed through seven questions that examined the entrepreneurs’ drivers and motivations to start the business, their business goals and future business prospects, perceived benefits from engaging in this type of business, whether they perceived the business as providing a social service, and their orientation towards serving the poor. Respondents that revealed any of these traits in 0 to 2 questions were considered to have zero or weak pro-social traits. Respondents that revealed these in 3 to 4 questions were considered to have medium pro-social traits, and respondents that revealed these in 5 or more questions were considered to have strong pro-social traits (see Table 2).

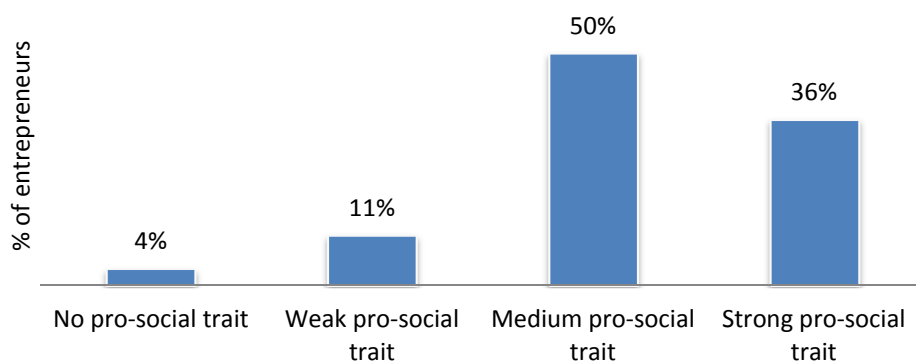
It is expected that respondents with strong pro-social traits have a stronger focus in promoting social wellbeing than profit.

**Table 2: Levels of pro-social traits**

Category	Score
No pro-social traits	0
Weak pro-social traits	1-2
Medium pro-social traits	3-4
Strong pro-social traits	5+

The majority of the sanitation entrepreneurs were considered as having medium pro-social traits (50%) and strong pro-social traits (36%) as shown in Figure 45.

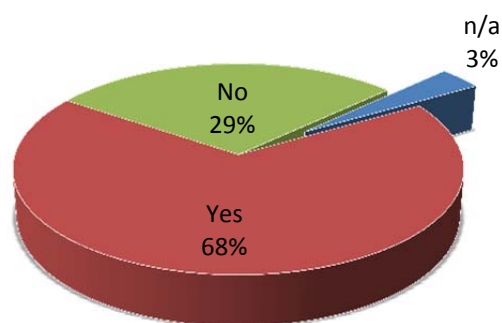
**Figure 45. Levels of pro-social traits present amongst sanitation entrepreneurs**



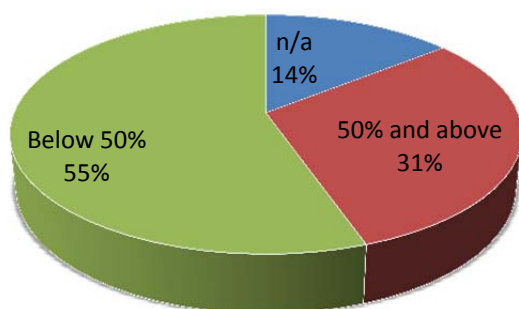
Only one (4%) of the entrepreneurs didn't demonstrate any pro-social traits. This was a respondent for whom profit was the main motivation to start the business: *"I haven't thought of being involved for social cause, purely for business only"*. This contrasts with another case where a pro-social motivation was the main driver for starting the business: *"At first the business was not thinking about profit, but because of the training. I then became aware that profit is necessary to survive and sustain"*.

Amongst the entrepreneurs, 69% said that they provided services to the poor and 68% said that they offered instalment payments to their customers (Figure 46). Of these, around 31% claimed that half of their customer base or more paid in instalments (Figure 47).

**Figure 46. Proportion of sanitation entrepreneurs that offer instalment payments**



**Figure 47. Proportion of entrepreneurs whose customers paid in instalments**



The most common reason underpinning an orientation to serve the poor was a sense of social responsibility: *"Because I realize that they couldn't afford the expensive ones [latrines]. If latrines can be affordable, why should they buy the expensive ones?"*. Another respondent added: *"Providing the poorer with proper sanitation at an affordable price gives a new perspective to the society that having a toilet is not expensive"*.

For some entrepreneurs however, serving the poor appeared to include reasons beyond pro-social motivations such as recognising the poor as potential and important customers. This was illustrated in the comments of three respondents:

*"To let customers pay in installments otherwise they will not be interested and aware of the need for healthy latrines"*.

*"To let customers pay in installments otherwise they will not be interested and aware of the need for healthy latrine installation"*.

*‘The majority of consumers have medium to low-income levels, that’s why the price was varied’.*

Findings also revealed different types of situations driving this sense of social responsibility. For example, for some entrepreneurs this appeared to be intrinsically driven as they showed a genuine empathy with the poor: *“Usually poor people would like to have a toilet, so I prepare what they need. If their money is limited, then they can pay by installments in a specified time. I was poor. Therefore I know how it feels. I would love to help them”*. Yet for others this was motivated by religious beliefs: *‘It is a good deed. If we don’t get any profit, just be sure that God will give us rewards’*. Others also mentioned gaining self-satisfaction from helping the poor, which also appeared to be linked to religious convictions: *“There is a self-satisfaction in helping. Many people are very poor. You help people, God will bless you”*.

In other cases however, this sense of social responsibility was extrinsically motivated and closely linked to the respondent’s side job. For example, serving the poor aligns with the sanitarian’s role of promoting healthy communities and open defecation free (ODF), as highlighted by one respondent: *“I’m also a sanitary officer and conditions for the majority of the people in [this district] are poor. I feel the need to change the mindset of people to want to have a healthy latrine installation”*. Another one added: *“This is what the Department of Health wants; there was initial capital from local government – as much as IDR 350,000 and priority was given to poor families”*. As shown earlier in Figure 18, 28% of respondents had parallel jobs as sanitarians, and amongst these, 69% (nine out of thirteen sanitarians) claimed that they served the poor.

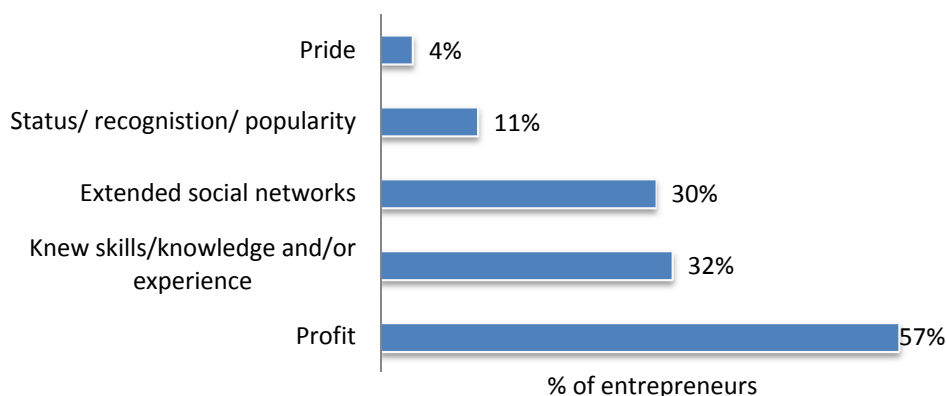
Some respondents may have also been encouraged by the training provided by development agencies to adopt this approach, as was evident in the case of one respondent: *“[It is] emphasised by trainers that despite the poor conditions, it is critical to change behaviour and have a healthy latrines, and this can be done by adjusting the budget”*.

### 3.3 OTHER MOTIVATIONS

In addition to pro-social motivations, a broad range of benefits beyond profit that can act as incentives for entrepreneurs to engage in this type of businesses was revealed. The most commonly reported was new skills, knowledge and experience (32%), followed by extended social networks (30%), increased status, recognition and/or popularity (11%), and pride (4%) (Figure 48). For example one entrepreneur noted how his involvement in the business was beneficial to his role as a village leader: *“I’m viewed as a good head of village.”* Another entrepreneur also noted his sense of pride: *‘I feel proud to change people’s behaviour to become healthier’*.

Concerning status and recognition however, opposing pulls were evident. For example one respondent noted: *“Not everyone wants to run a sanitation business as it is associated with dirt”*.

**Figure 48: Reported benefits from engaging in the sanitation business**



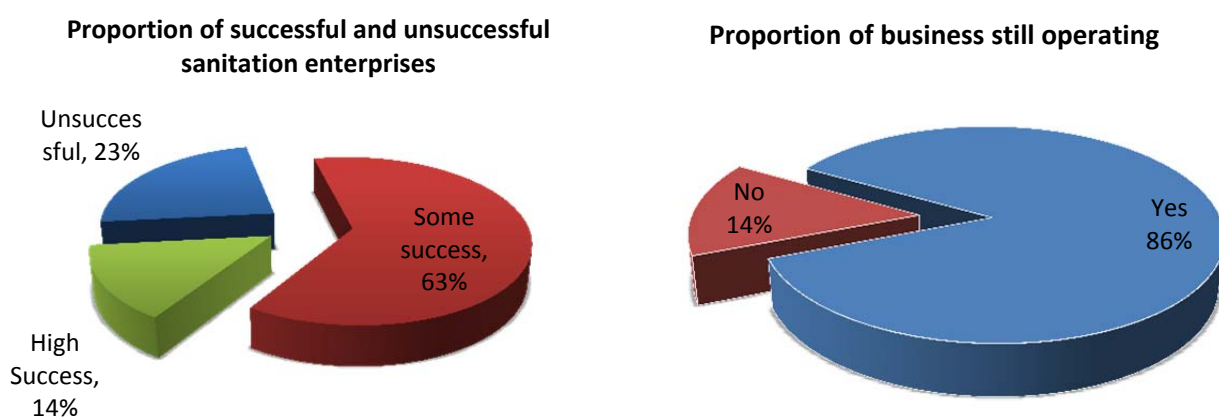
### 3.4 SUCCESS

#### 3.4.1 Levels of success achieved

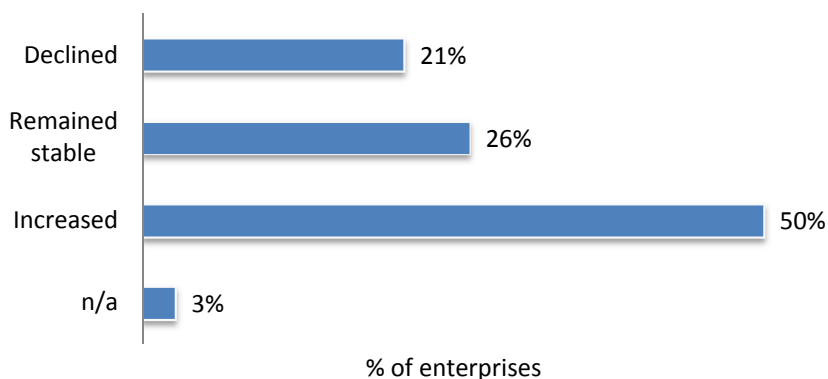
In this section, we describe the levels of success achieved by the sanitation enterprises. This was assessed by examining the profit growth after establishment and over recent years, monthly revenue in the past year, amount of accumulated assets per year (Rp/yr), and clarity of vision about the future of the business.

Of the 56 sanitation enterprises, 14% were classified as having achieved high success, 63% as having achieved some success, and 23% as unsuccessful. Of the unsuccessful entrepreneurs, eight had closed the business. These represented 14% of the total number of sanitation entrepreneurs (Figure 49). Of the 38 sanitation entrepreneurs who reported the financial situation of their business, 76% claimed that after three years operations, they had increased profit or remained stable, and 21% reported they had decreased their profit (Figure 50).

**Figure 49. Levels of success of sanitation entrepreneurs**

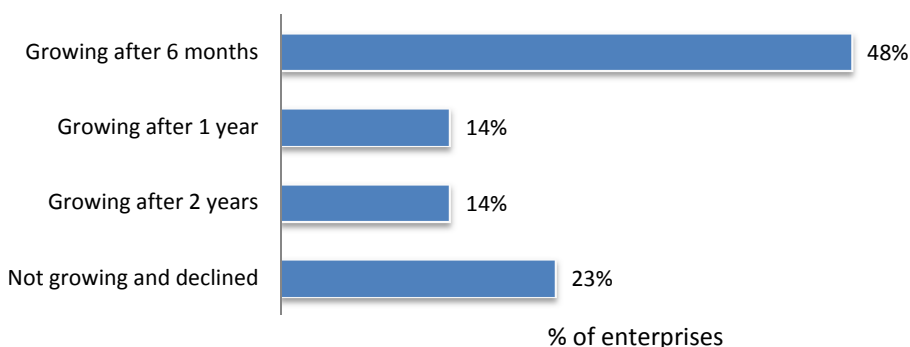


**Figure 50: Profit after three years of operation of the sanitation enterprises**



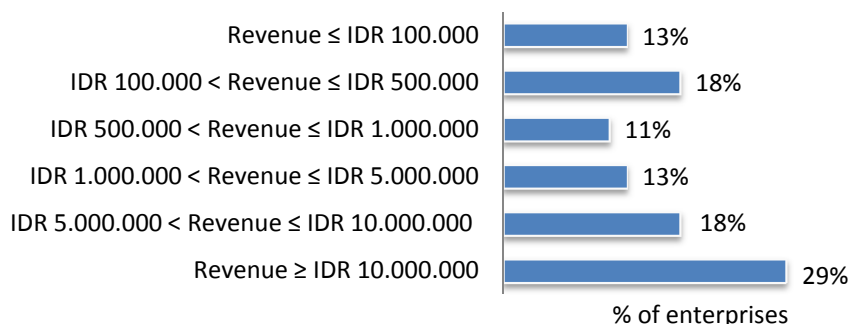
Amongst the respondents, 48% reported that their business grew after six months, 15% claimed it grew after two years, and 15% claimed it grew after one year, and 23% reported it didn't grow and declined (Figure 51).

**Figure 51. Profit growth after establishment of the sanitation enterprises**



The reported monthly revenue ranged from less than IDR 100,000 (USD 7.53) up to more than IDR 10 million (USD 753), however a significant proportion (42%) reported this to be up to IDR1 million (USD 75) per month (Figure 52). These amounts are considered low, which suggest issues around the future financial viability of these businesses and may explain one unsuccessful entrepreneur's decision to not continue the business: *"I quit the sanitation business"*.

**Figure 52. Monthly revenue of the sanitation enterprises**

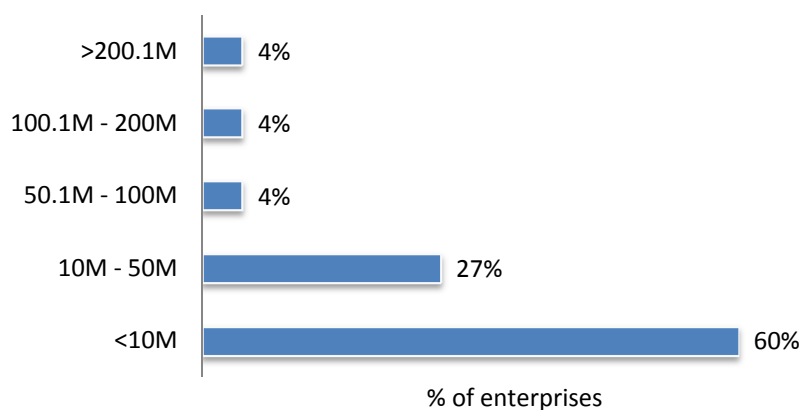


Further, of the 45 respondents who reported on the business annual average accumulated assets from the business activity, the majority (60%) reported amounts below IDR10 million (USD

753), and only a small proportion (12%) reported amounts above IDR50 million (USD 3,675) (Figure 53), all of which were successful entrepreneurs.

Some successful entrepreneurs indicated good financial prospects in this business. Three quotations from successful entrepreneurs support this finding: concerning opportunities, “*There are many opportunities in the sanitation field that have not been touched yet. ... I think this business will keep growing*”; plans to expand “[*I plan to*] *expand business [i.e. service package] to another area in Kabupaten*”; and expansion of service options: “[*I*] *want to create a portable toilet suction tool and develop communal IPAL*”.

**Figure 53. Annual average accumulated assets (IDR) of the sanitation enterprises**



### 3.4.2 Perceptions of the characteristics of successful entrepreneurs

Based on an open-ended question as to what characterises a successful sanitation entrepreneur, respondents’ perceptions included personality traits (59%), skills (30%), and other types of characteristics (11%) (Table 3).

**Table 3: Perceived characteristics of a successful entrepreneur\***

Personality traits		Skills	Other characteristics
Assertive	<b>Persistent/patient</b>	<b>Business management</b>	<b>Access to capital</b>
Committed	Proactive	Communication	Access to networks
Diligent	Problem-solver	Financial	<b>General experience</b>
Disciplined	Professional	Human resource management	Experience in approaching the community
<b>Enthusiastic/passionate/self-motivated</b>	Punctual	<b>Marketing</b>	Good quality mould
Flexible/tolerant	<b>Risk-taker</b>	Negotiation	Access to training
Hard-working	Self-confident	Networking	Post-purchase service
Have faith	Sense of social responsibility	<b>Technical</b>	Time flexibility
Honest	<b>Sociable/friendly</b>		
Innovative	Thorough		
Leader	Willingness to learn from mistakes/failure/open to critique		
Modest			
Optimistic			

\* Items in bold represent the most frequently reported characteristics

Of the personality traits, the most commonly reported were persistence (45%), self-motivation (32%), risk-taking (30%), and sociableness/friendliness (25%). Within the group of skills mentioned, the most commonly reported included technical skills (52%), business management

(41%), and marketing skills (25%). Other commonly reported characteristics included access to capital (14%) and general experience (14%).

### 3.4.3 Perceptions of success factors

In response to an open-ended question as to what mattered the most in helping the respondent’s business to succeed, the reported success factors ranged from external contextual factors (50%), personality traits (38%), skills (36%), and other (5%), including quality, experience and location (Figure 54).

**Figure 54: Categories of perceived success factors**

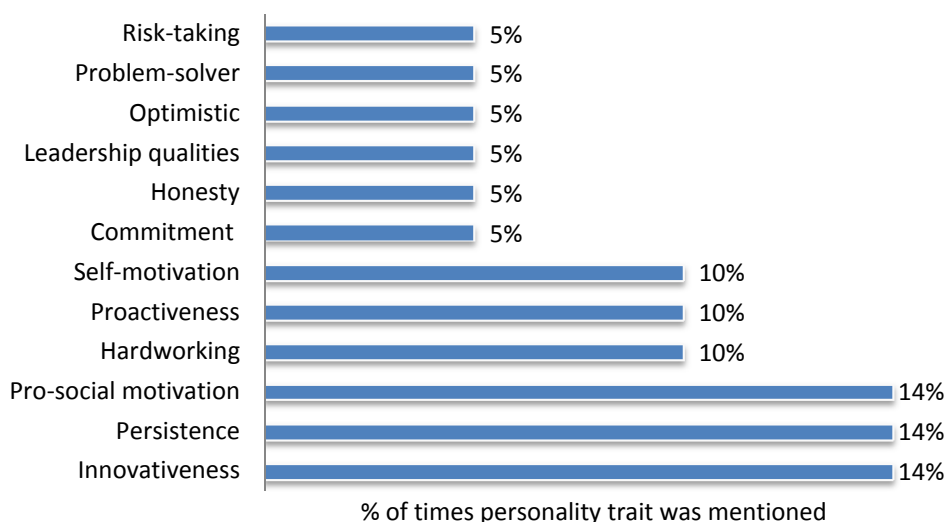


In the following sections we discuss the success factors that fall under some of these categories in more detail. Perceptions of success factors that fall under the category of external contextual factors are discussed in section 3.4.8.

#### *Personality traits as perceived success factors*

Amongst the personality traits reported as success factors, the most common ones were innovativeness, persistence, pro-social motivations (Figure 55).

**Figure 55: Personality traits reported as success factors**



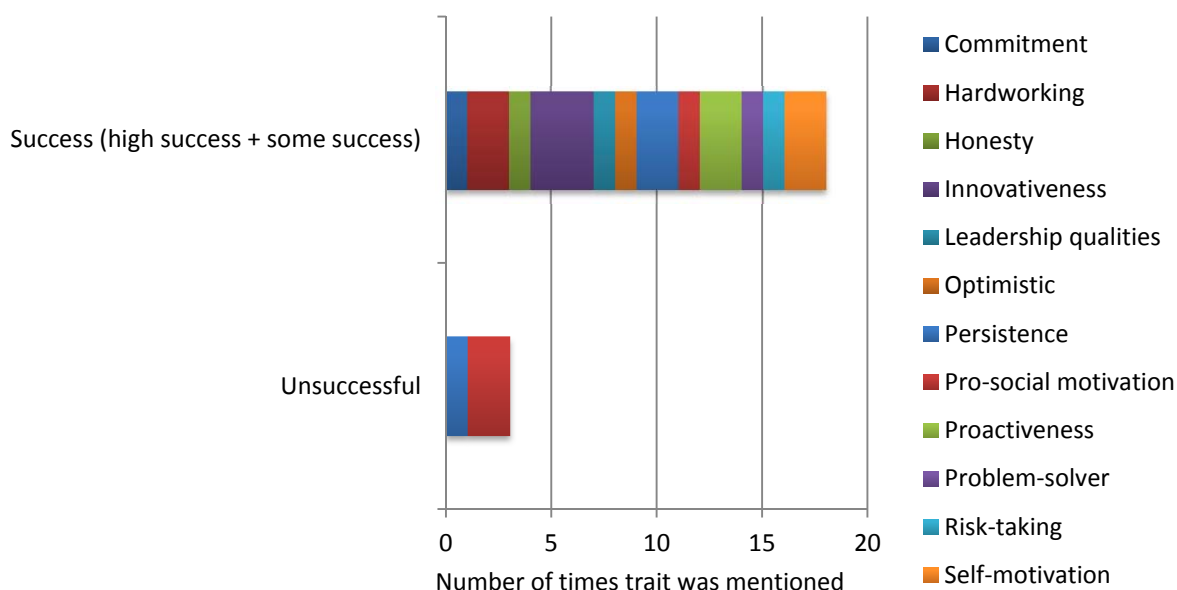
Amongst the personality traits reported as success factors, there were considerable differences between the breadth of traits reported by successful and unsuccessful entrepreneurs. Successful entrepreneurs reported on a wider range of traits than unsuccessful entrepreneurs, although both



emphasised persistence as an important trait (see Figure 56). For example one entrepreneur noted how business success was dependent on “*strong intention, hard work, understanding the challenge as an entrepreneur, and giving one’s best*”. This was also emphasised by another entrepreneur who added that to succeed required “*full effort in doing the business, understanding what to do, and understanding that people need the service*”.

A small proportion of successful entrepreneurs also mentioned leadership qualities and problem-solving as success factors, two qualities which, as highlighted by one entrepreneur, are closely linked: “*Other factors [...] that can support problem solving, evaluating, detecting and solving problems*”.

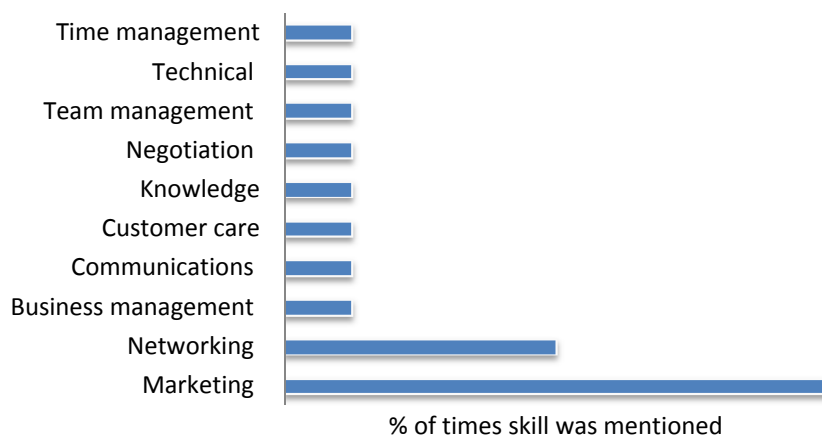
**Figure 56: Personality traits reported as success factors by successful and unsuccessful entrepreneurs**



*Skills perceived success factors*

Amongst the skills perceived as success factors, the most commonly reported ones were marketing and networking (Figure 57).

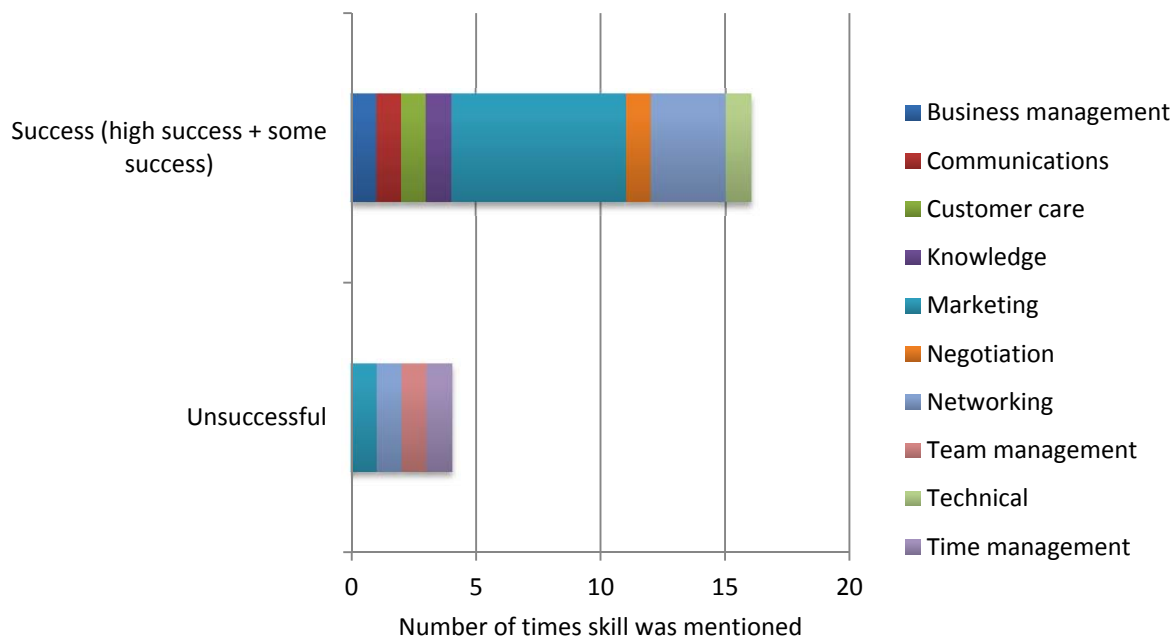
**Figure 57: Skills reported as success factors**



Responses from successful entrepreneurs included a wider range of skills than unsuccessful entrepreneurs. It should be noted however that both successful and unsuccessful entrepreneurs

emphasised marketing and networking as important success factors (see Figure 58). These results may be partially because of the larger proportion of successful entrepreneurs within the sample, however the big difference between these two groups is still worth noting.

**Figure 58: Skills reported as success factors by successful and unsuccessful entrepreneurs**



### 3.4.4 Relationship between success and characteristics of the entrepreneurs

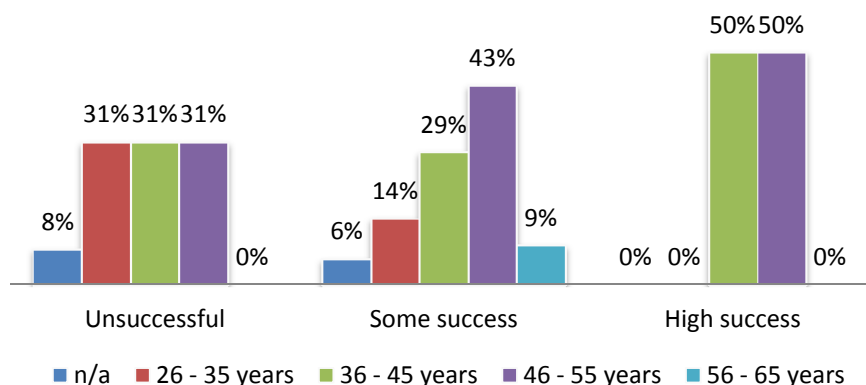
Relationships between success and a number of characteristics of the entrepreneur were found. These included time commitment and the sector of the entrepreneurs’ previous experience. However, no clear relationship was found between success and the age of the entrepreneurs, their level of education, whether they had a concurrent job to the sanitation enterprise or not, and their previous experience.

The following sections provide more detail on these relationships.

#### *Age*

As Figure 59 shows, all highly successful entrepreneurs were in the 36 to 55 age bracket. More than half of the enterprises that had achieved some success (52%) were led by entrepreneurs who were 46 years old or older, whereas 31% of unsuccessful enterprises were run by entrepreneurs who were 46 or older.

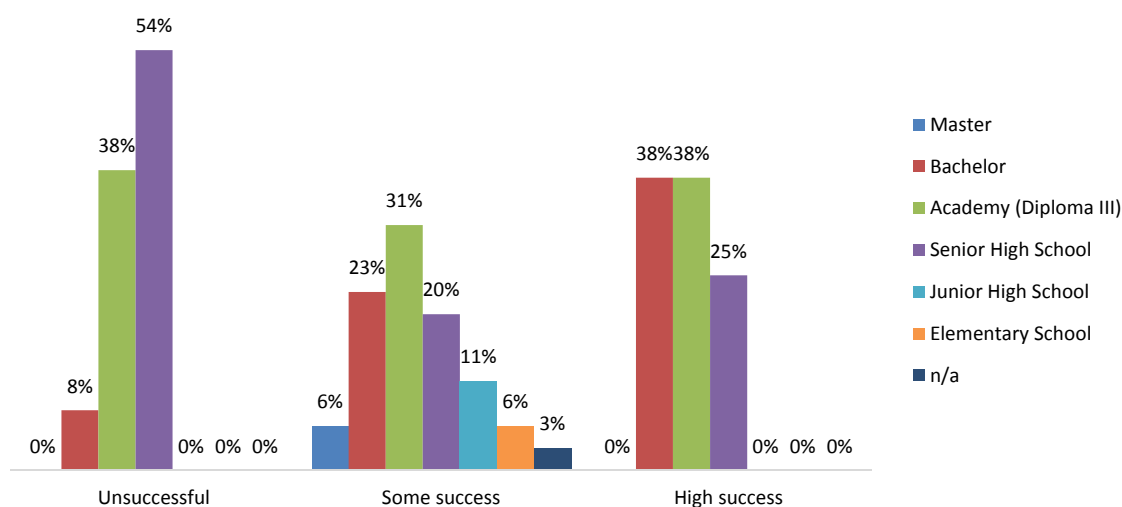
**Figure 59. Age of the sanitation entrepreneurs and levels of success of the business**



**Education**

Although no strong relationship was found between success and the education levels of the entrepreneurs, it’s interesting to note larger proportions of entrepreneurs who had a university degree were found amongst enterprises that had achieved some success (60%), and high success (76%), than amongst unsuccessful enterprises (46%), although all unsuccessful entrepreneurs had at least completed senior high school (Figure 60).

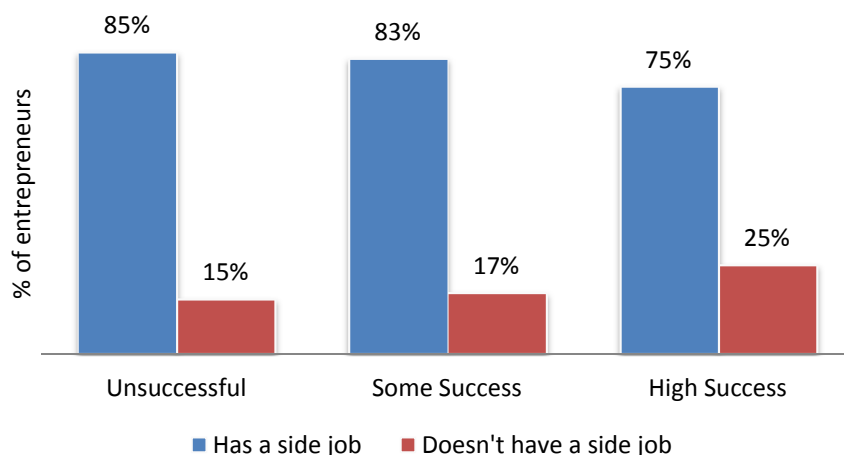
**Figure 60. Education level of the sanitation entrepreneurs and levels of success of their businesses**



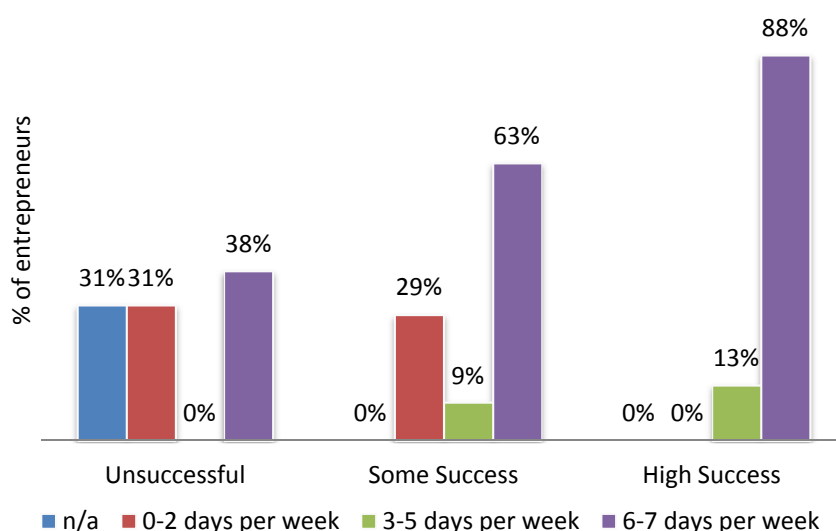
**Time commitment**

The amount of time an entrepreneur devotes to his business can affect the success of the business (Hisrich et al., 2012). Amongst the 56 sanitation entrepreneurs, 82% had side jobs (Figure 5). In this case no clear relationship was found for the presence of a side job contributing to success, as shown in Figure 61. In contrast, a relationship between time commitment and success was found. The vast majority of the high success sanitation entrepreneurs (89%) spent 5 to 6 days per week working, while only 38% of unsuccessful businesses did the same (Figure 62).

**Figure 61. Relationship between the existence of a side job and level of success of sanitation enterprises**



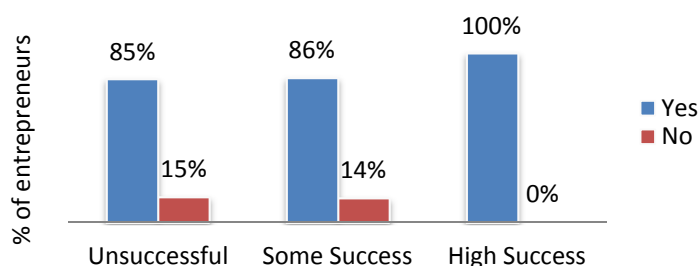
**Figure 62. Relationship between time commitment of the entrepreneurs to the sanitation enterprise and level of success of the enterprise**



*Previous experience*

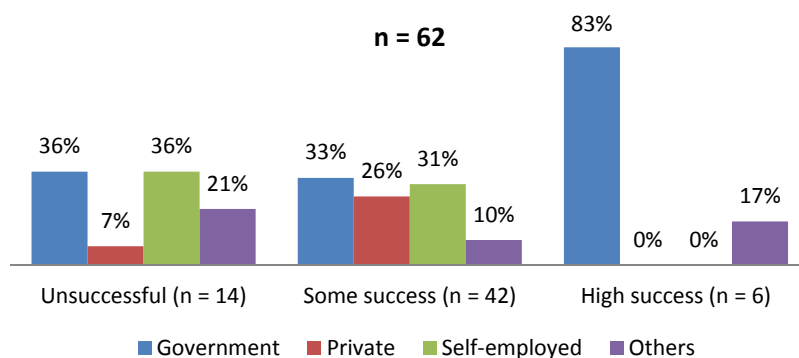
As shown in Figure 63, there is no clear relationship between work experience and the level of success of sanitation entrepreneurs, but it should be noted that 100% of highly successful enterprises had previous work experience.

**Figure 63. Relationship between previous work experience of the sanitation entrepreneur and level of success of sanitation enterprises**



In contrast, as Figure 64 shows, the proportion of entrepreneurs with previous work experience in government was higher amongst highly successful entrepreneurs (83%) than amongst entrepreneurs with lower levels of success.

**Figure 64. Relationship between sector of previous working experience and level of success<sup>2</sup>**



### 3.4.5 Relationship between success and enterprise characteristics

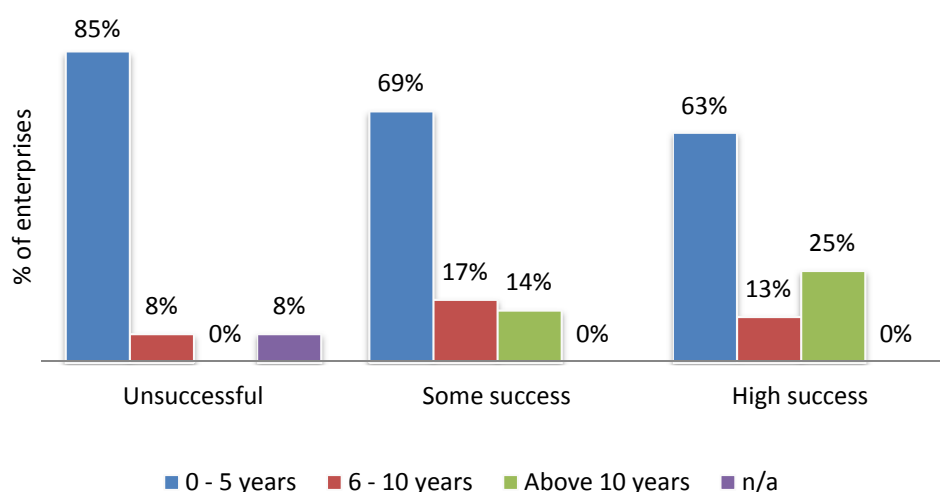
Relationships between success and a number of enterprise characteristics were found. These included the location, size and staff composition of the sanitation enterprises, whether they had engaged in product or service development, their initial investment and whether they were members of a sanitation related association. Although not strong, a relationship between success and the years of operation of the enterprise was evident. However, no relationship between success and involvement of family members in the enterprise was found.

The following sections explain these relationships in more detail.

#### *Years of operation, location, size and staff composition*

As Figure 65 shows, amongst successful and unsuccessful businesses the majority had 5 years of operation or less. However, it can be noted that the proportion of enterprises operating for more than 10 years was highest in highly successful enterprises.

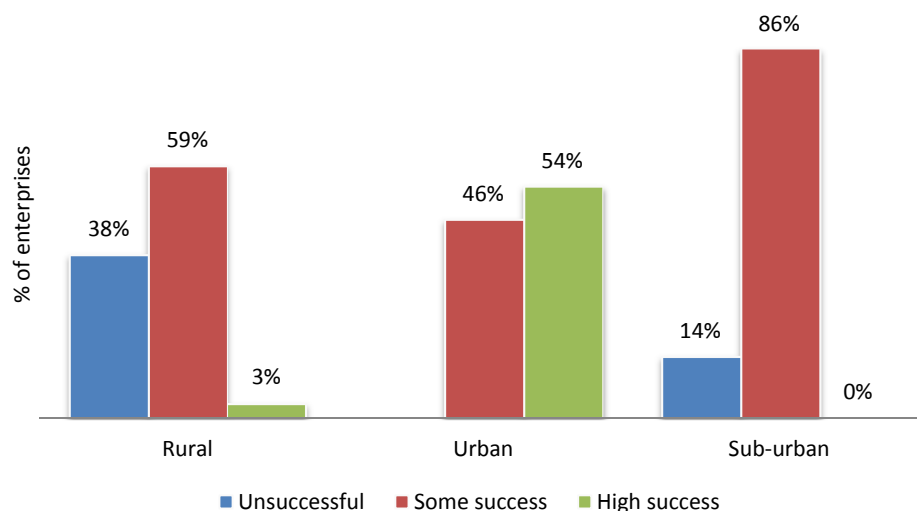
**Figure 65. Relationship between years of operation and level of success of the sanitation enterprises**



<sup>2</sup> Note: Some respondents had previous working experience in more than one sector, hence n=62

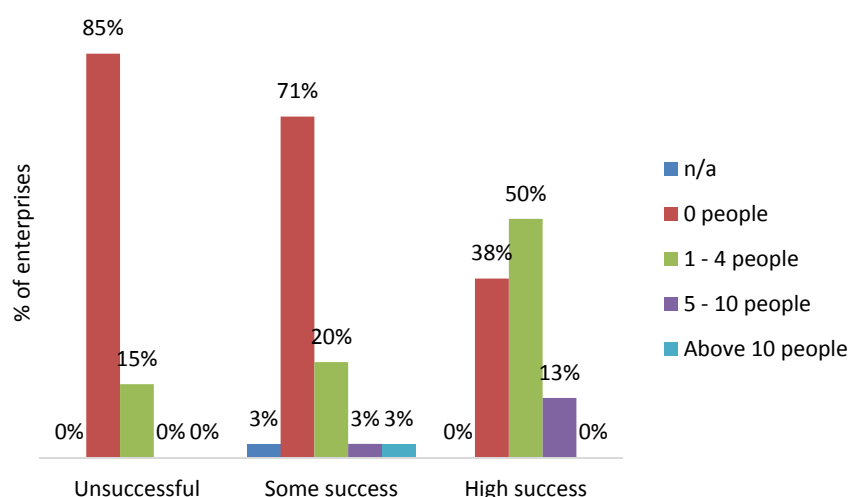
Concerning the location of the business, as Figure 66 below shows, a higher proportion of enterprises located in rural areas were unsuccessful (38%) than amongst enterprises located in sub-urban and urban areas, and the vast majority of the ones located in suburban areas (86%) had achieved some level of success.

**Figure 66. Relationship between location and level of success of the sanitation enterprises**



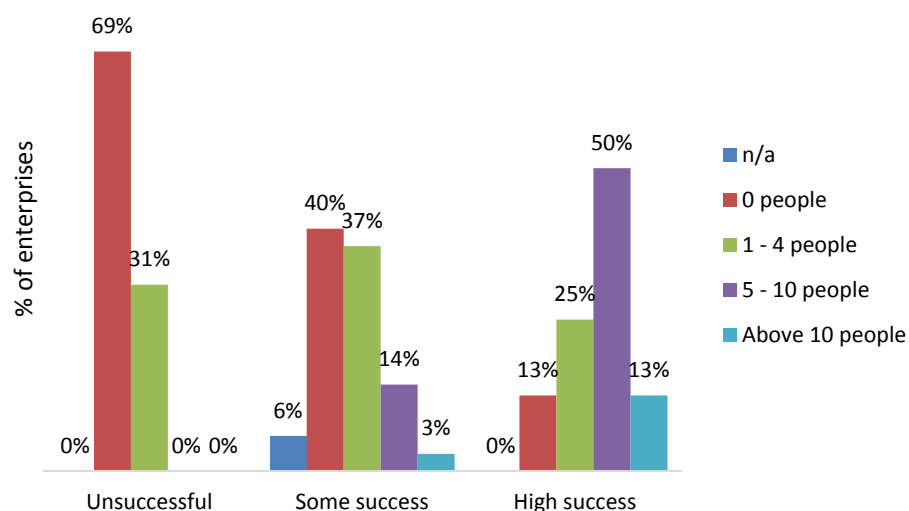
Concerning the size of the enterprise, as Figure 67 shows, a higher percentage of enterprises who had one staff in addition to the owner or more was found amongst high success (63%) than amongst those with some success (26%) and unsuccessful enterprises (15%). Likewise, a higher percentage of enterprises that had no employees in addition to the owner was found amongst unsuccessful enterprises (85%) and those with some success (71%) than amongst highly successful enterprises (38%).

**Figure 67. Relationship between numbers of full-time employees and levels of success of the sanitation enterprises**



Similarly, a higher percentage of enterprises that didn't employ part-time staff was found amongst unsuccessful enterprises (69%) and those who had achieved some success (40%) than highly successful enterprises (13%). Further, the percentage of enterprises that employed more than five part-time staff was higher amongst highly successful enterprises (63%) than amongst enterprises that had achieved some success (17%), and unsuccessful enterprises (0%) (Figure 68).

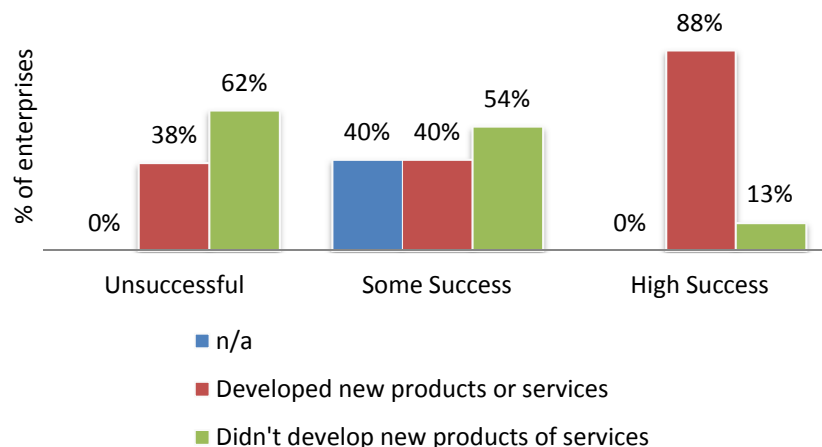
**Figure 68. Relationship between numbers of part-time employees and level of success of the sanitation enterprises**



**Product/service development**

Highly successful enterprises tended to be more active in product and service development activities than enterprises with lower levels of success. As Figure 69 shows, a higher proportion of enterprises involved in such activities was found amongst highly successful enterprises (88%) than amongst unsuccessful enterprises and those with some success.

**Figure 69. Relationship between product and service development and level of success of sanitation enterprises**

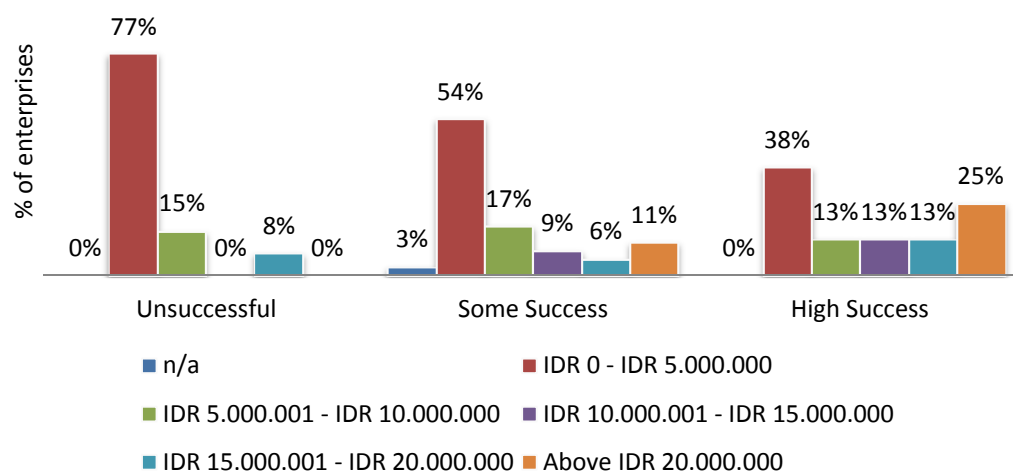


**Initial investment**

The findings indicate that startup momentum, as indicated by the amount of initial investment, is an important contributor to business success. The study found that 25% of highly successful businesses invested more than IDR 20 million (USD 1,506) when they started. Only 11% of firms in the ‘some success’ category invested more than IDR 20 million (USD 1,506), while none of the unsuccessful ones did so. Further, the proportion of enterprises that made small initial investments (up to IDR 5 million or USD 376) when they were established was highest in unsuccessful businesses (77%) (Figure 70).



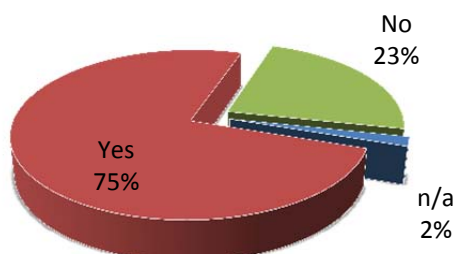
**Figure 70. Relationship between initial investment and level of success of sanitation enterprises**



**Association membership**

Most respondents (75%) were members of a sanitation entrepreneurs association (APSANI or PAPSIGRO) since the sample was primarily developed through contact with these associations (Figure 71). Of these only one, a successful entrepreneur, reported this type of membership as a negative experience.

**Figure 71. Membership in a sanitation related association by sanitation entrepreneurs**



Of the respondents that reported association membership as a positive experience, 64% were successful entrepreneurs (categories ‘high success’ and ‘some success’) and 36% were unsuccessful.

Of the reported benefits (Figure 72), a common one was camaraderie/friendship (15%) as highlighted by one entrepreneur: “[I’m] feeling happy because [I] have a lot of friends”. Another one added: “I’m feeling united with friends ... partnering”.

Other commonly reported benefits included access to information (14%), technical skills (14%), and networking (14%). For example one respondent mentioned that the association provided easier access to “information about the latest products”, while another one mentioned access to information about “where the price is cheaper”, and another mentioned access to innovation and business opportunities.

The close link between some of the reported benefits, such as friendship, peer-to-peer learning, access to information and networking, was evident. For example one entrepreneur mentioned that he was able to “draw a lot of information from friends” he had met through the association, and

another one added that he had access to *“innovations [and] new ideas because of meeting friends”* through the association.

Opportunities for new experiences were also mentioned by a smaller percentage of respondents. This included travelling opportunities: *“I can train people, I can travel to NTT by plane”*. Associations of entrepreneurs such as PAPSIGRO and APSANI have gained some attention nationally and this has led to some entrepreneurs receiving invitations to make presentations about their experiences in other parts of Indonesia.

**Figure 72. Reported benefits from membership in a sanitation related association**

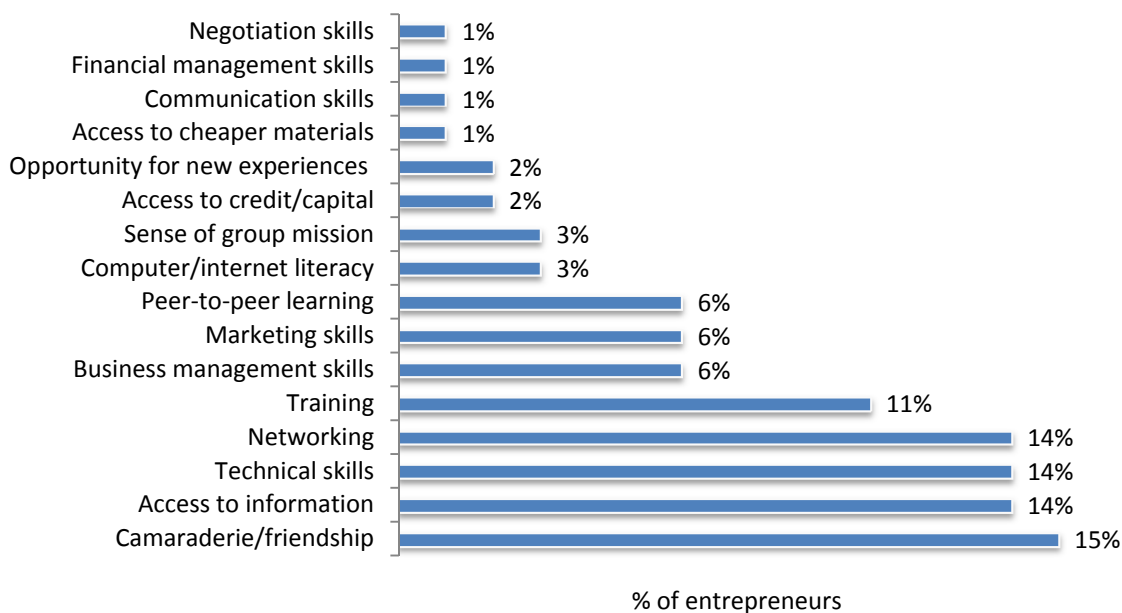
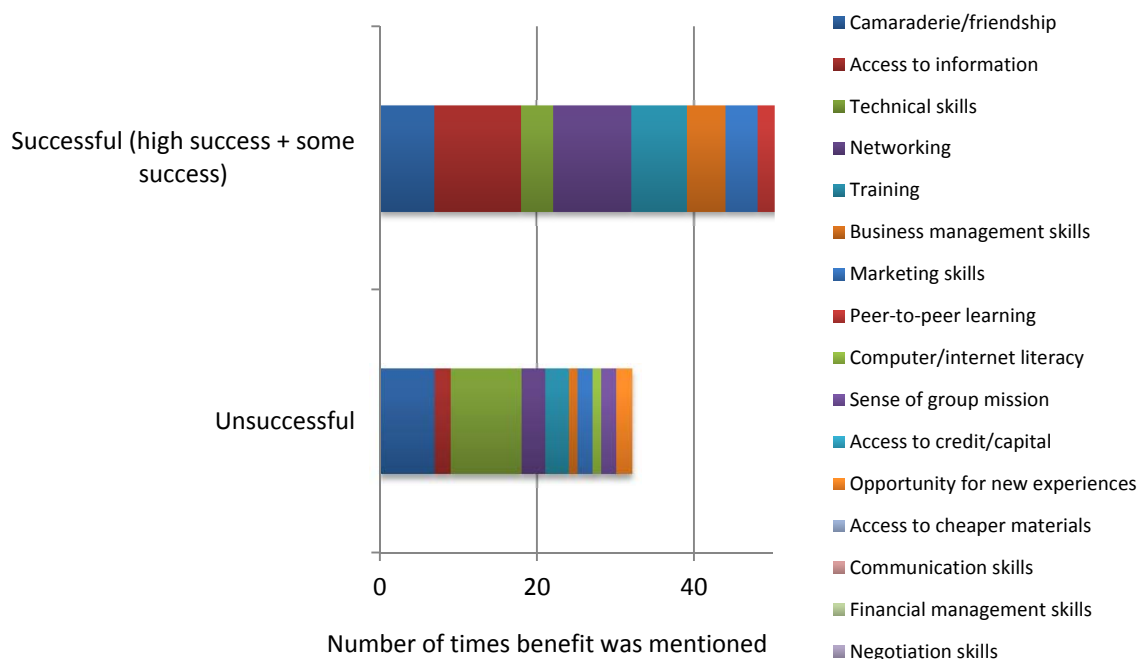


Figure 73 compares the reported benefits across the different levels of success. As it shows, the successful sanitation enterprises have more even distributions across all benefits than unsuccessful ones. For the successful firms, the most important benefits were access to information and networking, while for the unsuccessful ones, camaraderie and technical skills were the most important. In conclusion, the successful firms place a greater emphasis on business-related skills than unsuccessful entrepreneurs do.

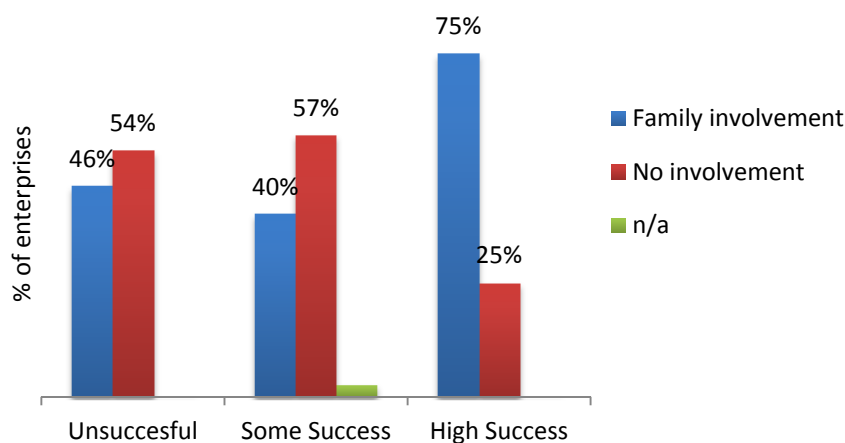
**Figure 73. Benefits of being association member and level of success**



*Involvement of family members in the business*

At least 46% of the respondents had family members involved in business operations and/or management of their business. As shown in Figure 74, a relationship between the involvement of family members in the enterprise and its level of success was not evident.

**Figure 74. Relationship between family involvement and level of success of sanitation enterprises**



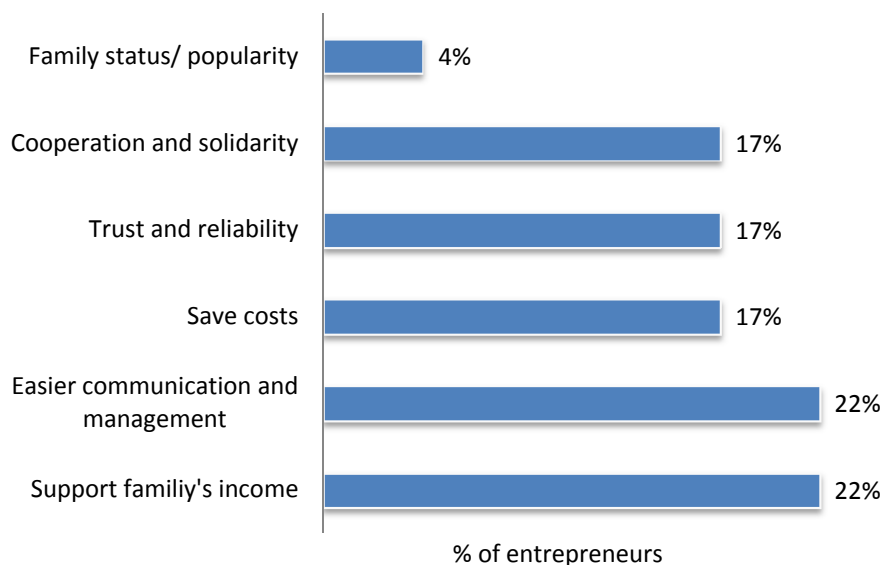
At least 73% of businesses that had family involvement reported this as a positive experience. Reported benefits (Figure 75) included ability to support the family’s income (22%) and easier communication and management (22%). The ability to support the family’s income was well explained by one entrepreneur: *“The benefit [of involving family members] is that we give some portion to each person in the family”*.

Other reported benefits included saving costs (17%), trust and reliability (17%), cooperation and solidarity (17%). For example, one entrepreneur spoke about how having family members involved in the business reduced wage costs: *“Workers who come from families are employed and so*

*the cost of wages is less*". Yet another one explained the trust benefits of having his wife involved as the treasurer: *"The advantage is she is trustworthy"*. Cooperation and solidarity benefits were also reported: *"Cooperating with siblings and in-laws to do the marketing activities, increasing solidarity, and improved financial situation and relationships"*.

A smaller percentage of respondents also mentioned increased family status or popularity (4%). One entrepreneur noted for example the advantages to the popularity of a family member: *"...it's easier to promote as the younger brother is well-known in the community"*.

**Figure 75. Reported benefits from family involvement in the business**



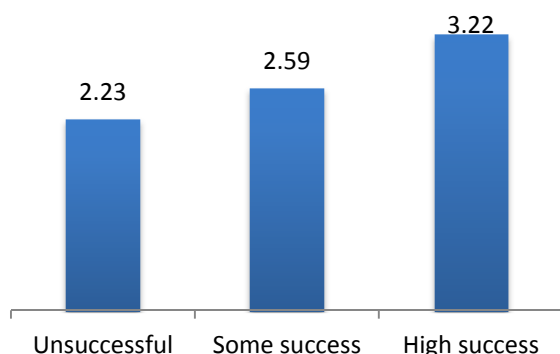
Although the majority of the respondents reported benefits from family involvement in the business, three also mentioned challenges including communication barriers, the need for more tolerance and patience, and less clear control of money. As one respondent noted, it requires *"more tolerance and patience than working with others"*. Yet another one explained that although trust was an advantage, there was a less clear separation of business and household finances: *"The advantage is that she is trustworthy. However, the money obtained is mixed with the household's needs. It's hard to know how and where the money was spent"*.

### 3.4.6 Relationship between success and entrepreneurial traits

Entrepreneurial ability is the ability of an entrepreneur or a firm to run the business successfully and according to Ernst (2012) successful entrepreneurs tend to have five core personality traits: a proactive approach, need for independence, need for achievement, innovativeness and risk-taking. In this section, we discuss the relationship between success and these traits.

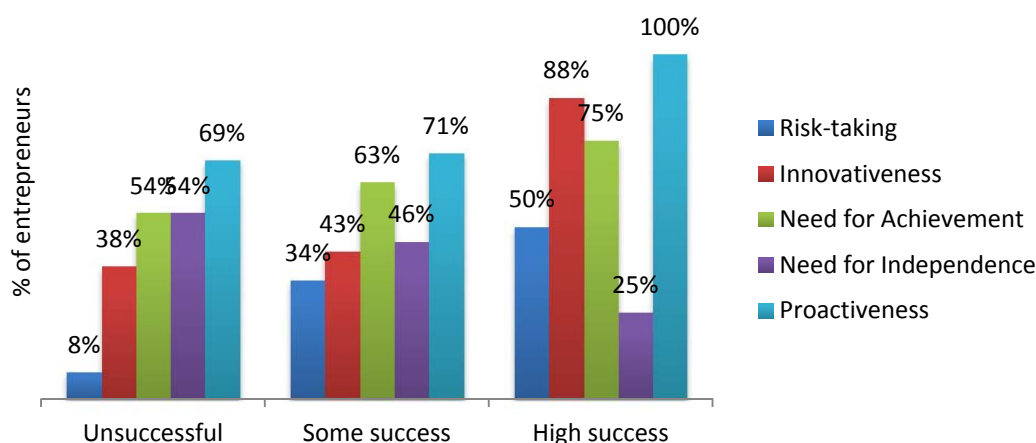
A higher number of traits was found amongst respondents that led enterprises with higher levels of success than unsuccessful enterprises (Figure 76).

**Figure 76. Number of entrepreneurial traits across different levels of success**



The study also revealed a higher presence of proactiveness, innovativeness, and risk taking propensity amongst respondents that led enterprises with higher levels of success than unsuccessful enterprises. Entrepreneurs with lower levels of success demonstrated these traits to a considerably lower degree than those classified as successful (Figure 77). It is interesting to note however, that unsuccessful entrepreneurs and entrepreneurs with some success demonstrated a higher degree of a need for independence that highly successful entrepreneurs.

**Figure 77. Entrepreneurial traits across different levels of success**

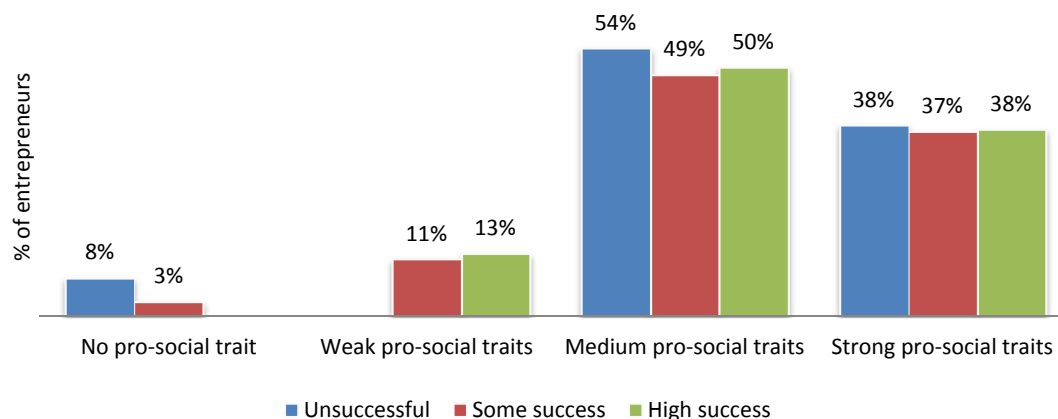


### 3.4.7 Relationship between success and pro-social traits

In this section we analyse the relationship between the presence of pro-social traits amongst respondents and the level of success of the enterprises they lead.

No clear relationship between pro-social traits and business success was evident. As Figure 78 shows, the vast majority of the entrepreneurs, regardless their level of success, demonstrated medium or strong pro-social traits.

**Figure 78. Relationship between the presence of pro-social traits and levels of success of the sanitation enterprises**



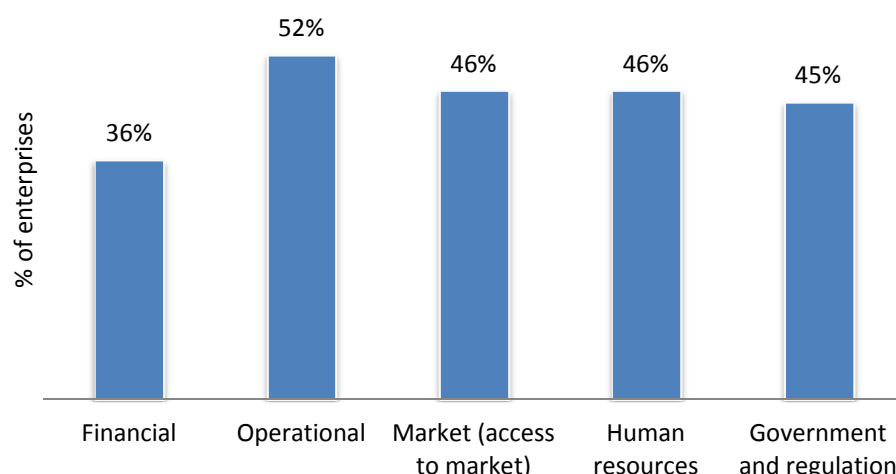
### 3.4.8 Relationship between success and contextual elements

In this section we explore the challenges and success factors within the business environment in which sanitation entrepreneurs operate, and we examine how these relate to different levels of success. Six broad categories were used to classify these contextual challenges and success factors: finance, marketing, operations, human resources, government and regulation, and cultural perceptions.

#### *Contextual challenges*

As Figure 79 shows, the highest percentage of challenges faced by sanitation enterprises were operational with 52% of the enterprises reporting facing this challenge, followed by market access issues, human resources issues and government and regulation.

**Figure 79. Types of contextual challenges reported by sanitation entrepreneurs**

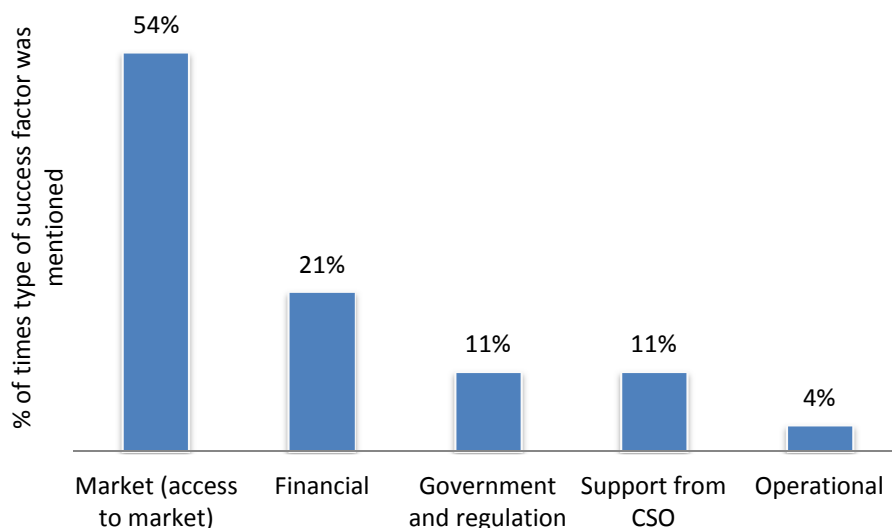


#### *Contextual success factors*

As mentioned in section 3.4.3, contextual elements were the subject of half of the responses to an open-ended question, ‘What matters the most in helping your business to succeed?’. These contextual elements ranged across the categories of market (access to market), financial, government and regulation, and operational aspects. As Figure 80 shows, more than half (54%)

of the reported success factors relate to market (access to market) aspects, followed by financial (21%), government and regulation (11%) and operational issues (11%). An additional reported success factor, which doesn't fall under any of the five categories defined above, was 'support from the CSO'. This represents a small proportion (11%) of the reported success factors.

**Figure 80: Contextual success factors reported by sanitation entrepreneurs**

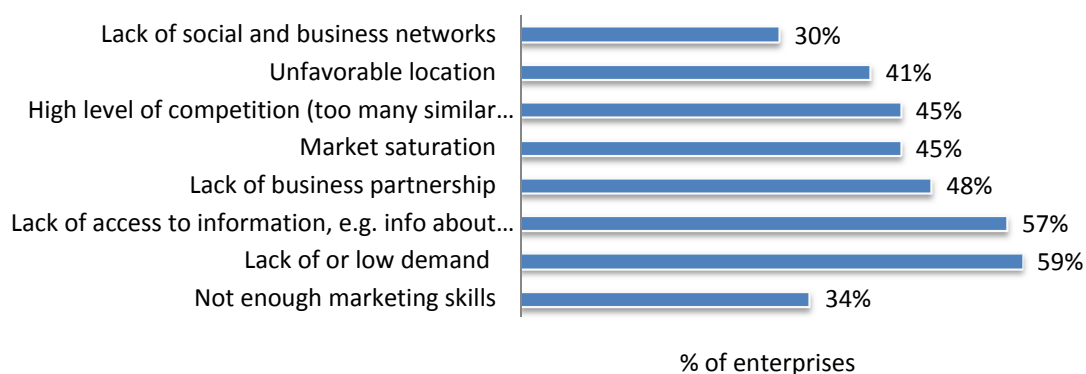


**Market-related challenges and success factors**

As Figure 79 and Figure 80 illustrate, respondents attributed greater emphasis to market-related factors in responses to a question concerning success factors than a question concerning business challenges.

Of the reported market-related **challenges**, low demand and access to information about the market such as customers' needs and preferences, source and cost of materials, were the most commonly reported (Figure 81).

**Figure 81: Market-related challenges**



Lack of demand was also emphasised in responses to an open-ended question concerning the biggest market-related challenges, and comprised 31% of the responses. There were different explanations for low demand amongst respondents. For example one respondent explained this was due to community's low social awareness of hygiene practices: "People in the community don't feel that they need a toilet. It's difficult to persuade them to use proper sanitation". Another respondent said that low demand was related to affordability issues: "people still don't want to have latrines due to the high price of the package". Yet another presented a nuanced view as he



believed that it wasn't an affordability issue but rather that past supply-driven approaches had created the expectation that toilets should be provided for free: *"The truth is that people here have money to build latrine. But, since their view that always rely on help or support, then majority do not want to spend their money"*.

Other market-related challenges reported in response to the open-ended question concerning the biggest challenge included competition (6%) and unfavourable business location (2%). In explaining the competition challenges of his business, one entrepreneur noted how he would benefit from greater knowledge of market strategies to address these: *"If I know the marketing strategies, then I can solve the business competition"*. Another explained that customers' high concern for price and low concern for quality could be a competitive advantage for businesses offering cheaper products but of lower quality: *"Competing in price, people only see the price without looking at the product"*.

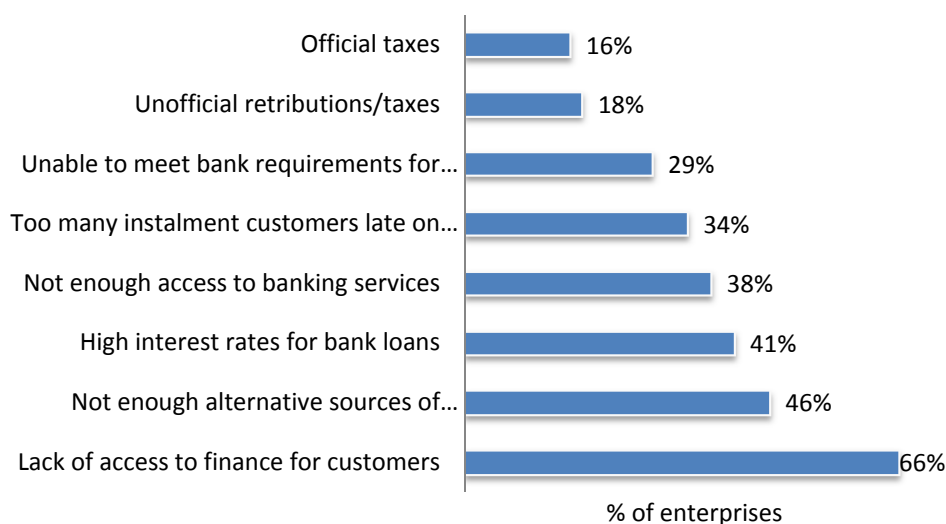
Of the reported **success factors**, the most commonly reported factor related to market access aspects was access to networks (36%), followed by demand (11%), and favourable business location (7%), making up more than half of the reported success factors (Figure 80). Both successful and unsuccessful entrepreneurs mentioned access to networks and demand, whereas favourable business location was mentioned by successful entrepreneurs only.

**Financial challenges and success factors**

As Figure 79 and Figure 80 illustrate, respondents attributed greater emphasis to financial factors as business challenges than as success factors.

Amongst the reported financial **challenges**, the most commonly reported were lack of access to finance for customers, and not enough alternatives to banks as sources of finance (Figure 82).

**Figure 82: Financial related challenges**



Lack of access to finance for customers was also emphasised in responses to an open-ended question concerning the biggest challenges, although it represented a small proportion (2%) of the responses. Other responses to this question that were related to financial aspects also included lack of access to finance in general (23%), and late customer payments (9%).

Concerning **success factors**, the only finance related success factor reported was access to capital, which represented 21% of responses (Figure 80).

**Human resources challenges and success factors**

As Figure 79 and Figure 80 illustrate, respondents emphasised human resource factors as challenges but not as success factors.

The most commonly reported human resources **challenges** were lack of business knowledge and skills (52%), and lack of access to continuing training opportunities (52%), followed by not enough time (48%), lack of technical knowledge and skills (46%), difficulty in finding staff with the right skills (46%), and not enough marketing skills (34%) (Figure 83).

**Figure 83: Human resources challenges**



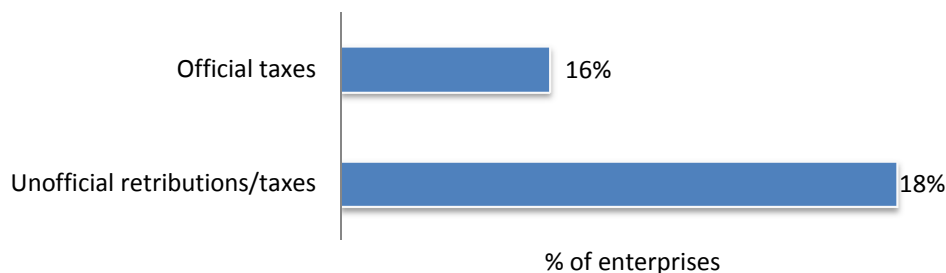
Lack of access to training opportunities and difficulty in finding staff with the right skills were also highlighted in responses to an open-ended question concerning the biggest challenges, each representing 2% of the responses.

**Government and legal challenges and success factors**

As Figure 79 and Figure 80 illustrate, respondents attributed greater emphasis to government and legal factors as challenges than as success factors.

Reported government and legal **challenges** included unofficial retribution/taxes (18%) and official taxes (16%) (Figure 84).

**Figure 84: Government and regulations challenges**



Responses to an open-ended question concerning the biggest challenges also emphasised lack of government support as a challenge, representing 16% of the responses.

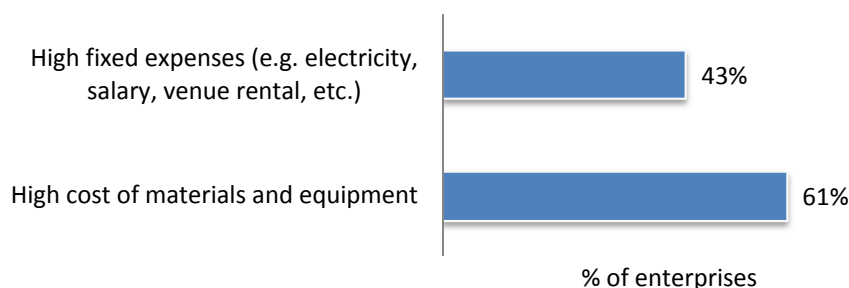
However, responses concerning success factors highlighted government support as success factor, representing 11% of the responses (Figure 80).

### *Operational challenges and success factors*

As Figure 79 and Figure 80 illustrate, respondents attributed greater emphasis to operational factors as challenges than as success factors.

Reported operational **challenges** included high cost of materials and equipment (61%) and high fixed expenses (43%), such as electricity, salary, and office rental (Figure 85).

**Figure 85: Operational challenges**



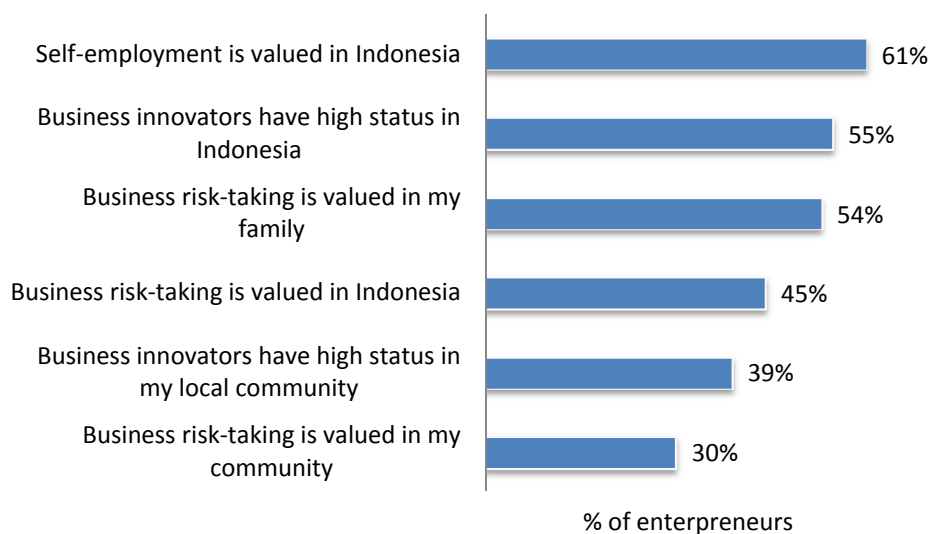
High cost of materials was also mentioned in responses to an open-ended question concerning the biggest challenges, though only representing 2% of the responses. Other responses to an open-ended question concerning the biggest challenges included lack of access to materials (3%), and high transport costs (2%).

Responses concerning **success factors** in turn highlighted access to cheap materials as a success factor, representing 4% of the responses (Figure 80).

### *Cultural influence*

As depicted in Figure 86, more than half of the entrepreneurs perceived self-employment (61%) and innovation (55%) to be valued within Indonesia's society, and business risk-taking to be valued within their families (54%). In contrast, less than half of the respondents perceived business innovators (39%) and business risk-taking (30%) to be valued within their communities. Likewise, less than half of the respondents (45%) perceived business risk-taking to be valued within Indonesia as a whole.

**Figure 86. Cultural values on entrepreneurship perceived by sanitation entrepreneurs**



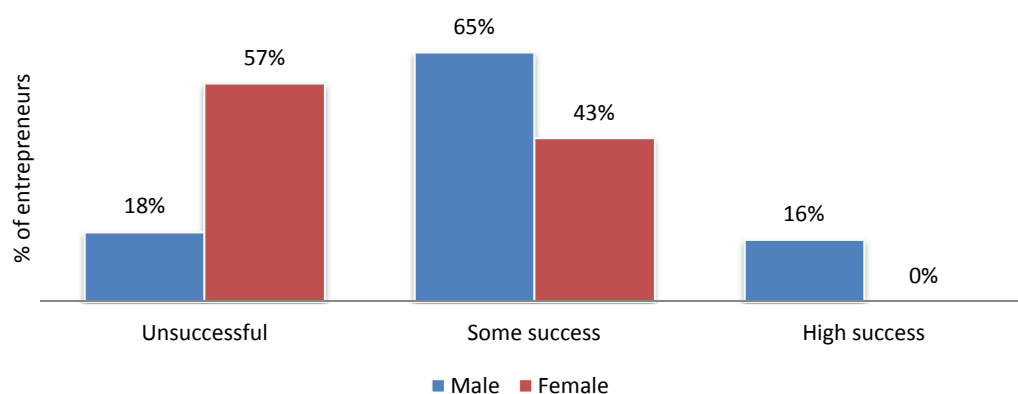
Cultural perceptions around business prosperity were also evident in responses to an open-ended question concerning the biggest challenges. This was highlighted by one entrepreneur who noted: *“Willingness to expand is low because of the bad image in society if a person tries to expand their business”*.

### 3.4.9 Relationship between success and gender

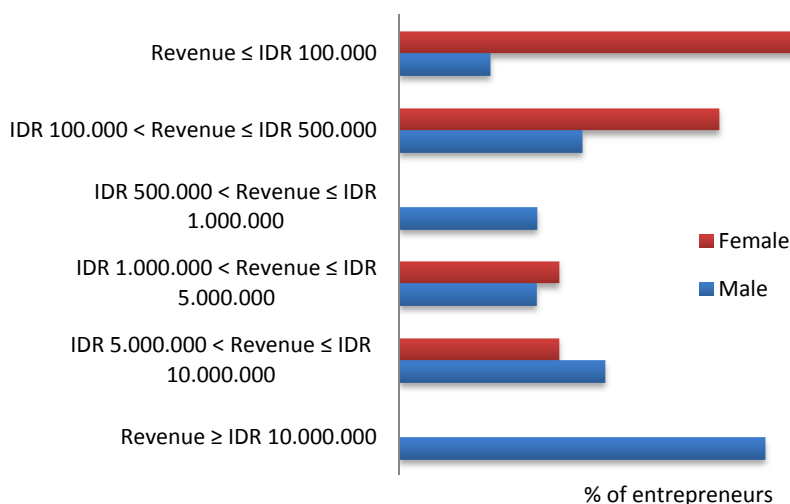
In this study, we also explore the relationship between gender and business success. As discussed in section 2.1.1, the majority of sanitation entrepreneurs were male (Figure 1), and only 13% were female. This indicates that the sanitation business is still a male-dominated sector.

A relationship between success and gender was found. As Figure 87 shows, amongst unsuccessful enterprises, a higher percentage was led by female entrepreneurs (57%) than amongst those with some success (43%) and high success (0%). Further, more than half of the female entrepreneurs (57%) were unsuccessful, and none achieved a high level of success. In contrast, the majority of the male entrepreneurs (81%) were somewhat successful or highly successful. The lower levels of success of female entrepreneurs can be explained by the fact that in general, monthly revenue was lower amongst female led enterprises than for their male counterparts, as shown in Figure 88.

**Figure 87: Relationship between gender and levels of business success**



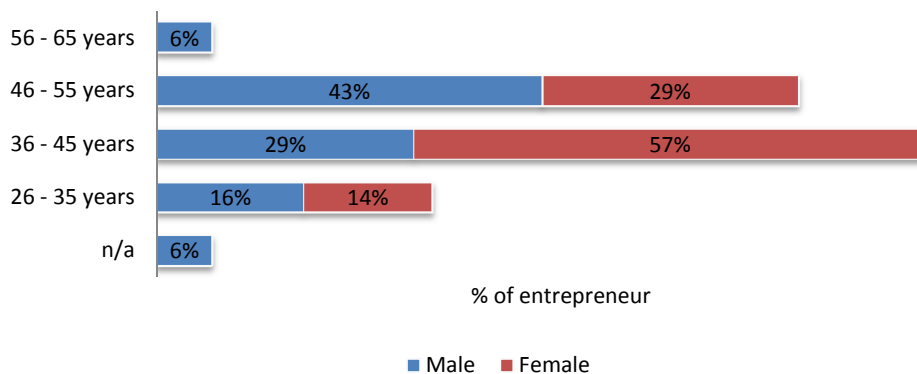
**Figure 88: Relationship between gender and the business monthly revenue**



It is also interesting to note also differences between some of the predominant characteristics of the male and female entrepreneurs such as age and educational background.

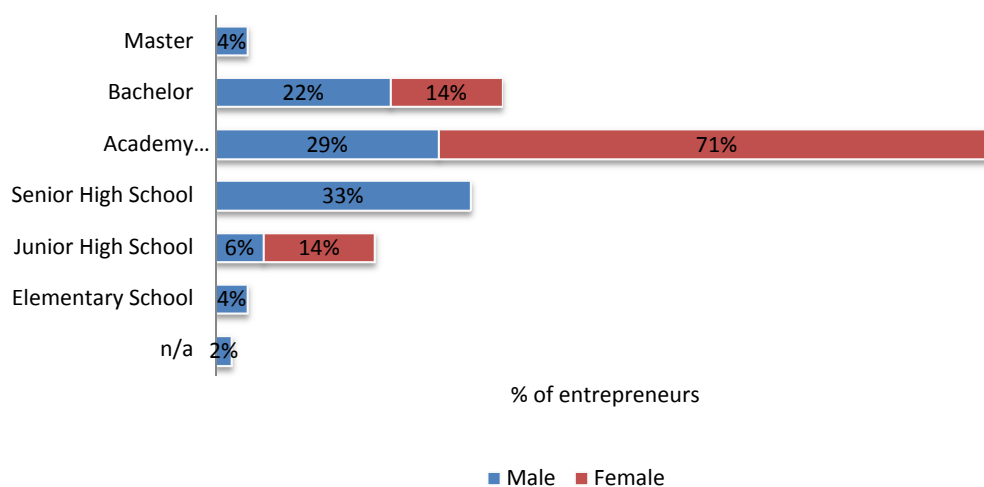
As Figure 89 shows, the highest proportion of women entrepreneurs are in the age bracket of 36-45 years, whereas the highest proportion of male entrepreneurs are in the age bracket of 46-55.

**Figure 89. Relationship between gender and age of the sanitation entrepreneur**



Concerning the relationship between gender and education level, as Figure 90 shows, the male entrepreneurs have a wider range of educational levels than the female entrepreneurs. The majority of the female entrepreneurs (85%) had a Diploma III or above, although none had reached the master’s level. In contrast, 55% of the male entrepreneurs had completed a Diploma III or above, including some at the master’s level.

**Figure 90. Relationship between gender and the education level of the sanitation entrepreneur**

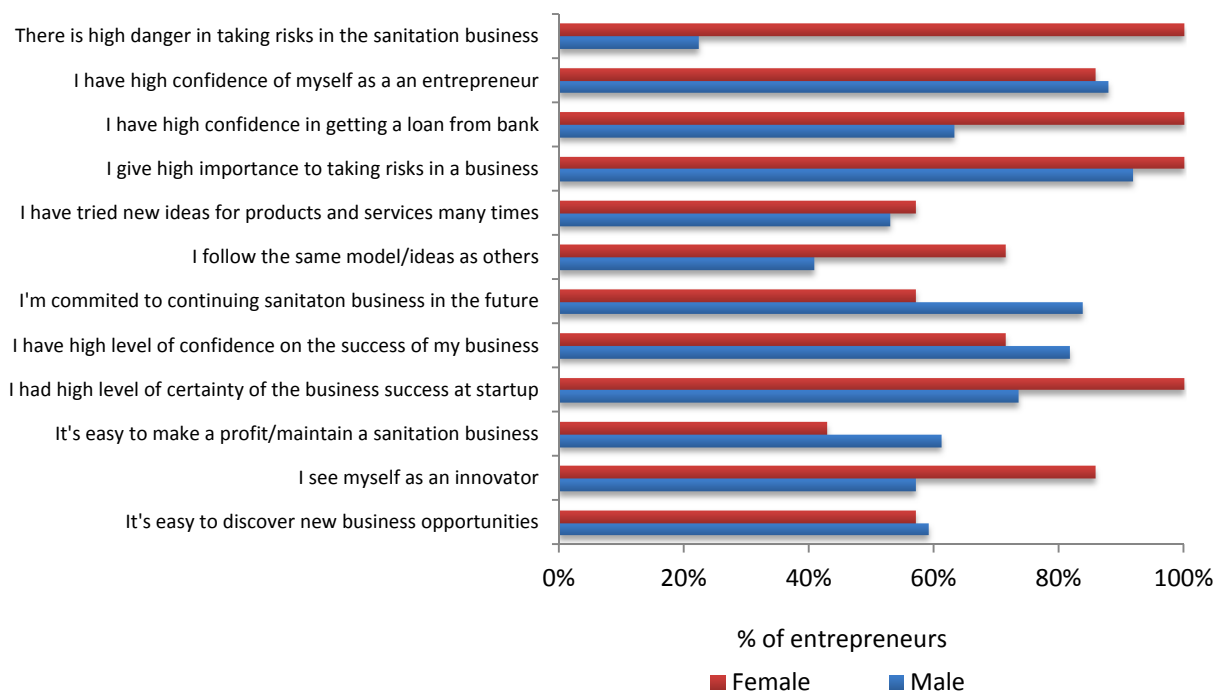


### *Entrepreneurial self-perceptions and perceptions of the business environment*

Entrepreneurial self-perceptions and perceptions of the business environment can also help to explain enterprise success differences between male and female entrepreneurs.

As Figure 91 shows, although a higher proportion of female entrepreneurs considered that it was important to take risks in a business, all of the female entrepreneurs considered that it was dangerous to take risks in the sanitation business, compared to only 22% of male entrepreneurs. In contrast, a smaller proportion of male entrepreneurs reported being confident about taking loans from a bank (63% for males; 100% for females). Further, although a higher percentage of female entrepreneurs saw themselves as innovators, most of them (71%) reported following the same model and ideas as other entrepreneurs. A smaller percentage (41%) of male entrepreneurs reported following others. A lower proportion of female entrepreneurs (43%) also considered that it was easy to make or maintain a profit as a sanitation entrepreneur compared to male respondents (61%). In addition, although the level of confidence in business success at start-up was higher amongst female respondents (100%) than male respondents (73%), the level of commitment to continue the business in the future and confidence in its success, were lower amongst female respondents (57% and 71% respectively) than male respondents (84% and 82% respectively).

**Figure 91. Entrepreneurial self-perceptions and perceptions of the business environment**



*Perceptions of contextual gender differences*

The contrast in the levels of success across gender could also be explained by gender differences in the context in which the entrepreneurs operate. Open-ended questions concerning how easily women become entrepreneurs in Indonesia and within the respondents’ own communities were used to help understand this.

In response to these questions, the majority of the respondents (70%) answered it was ‘easy’ for women to become entrepreneurs in Indonesia (Figure 92) and more than half of the respondents (57%) considered it was ‘easy’ for women to become entrepreneurs in their own communities (Figure 93).

**Figure 92: Proportion of respondents who considered that it was easy for women to become entrepreneurs in Indonesia**



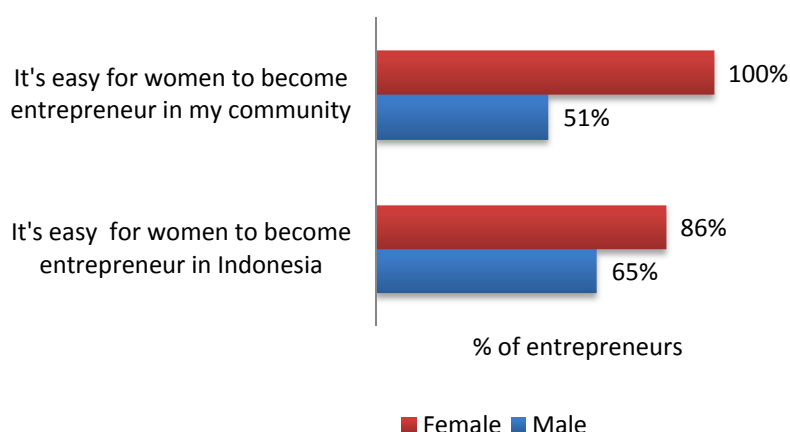


**Figure 93: Proportion of respondents who considered that it was easy for women to become entrepreneurs in their own communities**



Figure 94 shows a greater proportion of female entrepreneurs perceived that it was easy for women to become entrepreneurs in Indonesia and within their own communities than male entrepreneurs.

**Figure 94. Perceptions of how easy it is for women to become entrepreneurs across gender**



Although the answers to the above questions don't explain the lower levels of success achieved by the female entrepreneurs interviewed, the variety of reasons given for why it's easy for women to become entrepreneurs and why it's difficult provide relevant contextual insight into what can influence the success of female entrepreneurs.

***Reasons presented for why it's easy for women to become entrepreneurs***

Amongst the reasons given for why it's easy for women to become entrepreneurs, a significant proportion of the reasons (48%) were based on the belief that women's personalities and natural skills were better suited for business management activities than men's. Qualities perceived to be stronger in women than in men included social and communication skills: *"women who are doing business might have better communication skills than men and are much easier to mingle with compared to men"*. Another entrepreneur also noted how women's friendly natures were an advantage for business activities in general: *"women's personalities are warm and friendly"*. Women's flexibility, patience, attention to performance standards, and time and financial management skills were also noted. For example one respondent noted that *"women are more flexible, closer to the people"* while another one reported that generally women have *"more detailed attention to their performance and flexible communication"*. One entrepreneur also noted that *"in general, women are more flexible in marketing and have more patience when facing consumers"* and another one added that *"women are better at time management and at handling financial stuff"*.

A large proportion (42%) of the reasons given were also based on the perception that gender differences are becoming less of an issue in today's globalised society in which access to information and education is increasing. For example one respondent reported that: *"At the present time the gender difference is not a problem, people are heading in the era of globalisation"*. Another one also noted that: *"in modern times, the impacts of information technology make women more brave involved in entrepreneurship"*.

A smaller proportion of responses (6%) related to the perception that *"the majority of sanitation workers are women, [hence they] have the knowledge and the ability"* to work as sanitation entrepreneurs and easily establish connections with potential customers, who in turn also tend to be women: *"Many consumers are women, so it will be better if the entrepreneurs are women, many [sanitation workers] are also women"*.

The perception that independent and working women are more valued and respected by society than housewives was also highlighted by one respondent as a motivator for women to engage in businesses activities and succeed: *"People around here consider women that have something to do are more respectable than those who just stay at home"*.

### ***Reasons presented for why it's difficult for women to become entrepreneurs***

Amongst the reasons given for why it's difficult for women to become entrepreneurs, more than half (56%) were based on the perception or belief that women's motivations, personalities and skills weren't suited to business activities. Qualities perceived to be weaker in women than in men included self-motivation and risk-taking behaviour: *"Women have lower motivation [and] lower risk-taking [behaviour than men]"*. Another respondent also explained that *"women tend to be passive, feminine, and afraid of taking risk"*. Perceptions that *"women are not suitable to be sanitation entrepreneurs"* because they have *"less experience and are less sensitive to the problems"* were also evident, as was the view that women have *"minimum skills and knowledge on entrepreneurship"* and *"tend not to make careful calculations, do not think for the long term and are careless"*. One entrepreneur also commented that *"women do not have the intention to do business [and] do not want to get involved in [the] complicated situations"* that businesses activities involve, while another one added that women *"don't have [confidence and] tend to be administrative staff, lack leadership skills, and refuse to do rough work"*.

A significant proportion (33%) of reasons presented were also associated with the cultural tradition and belief that women's essential role is to take care of domestic activities and not to lead or engage in business activities: *"There is still the notion that women should be at home"*. For example one respondent was of the view that *"women are allowed to work or run a business at home, for example making embroidery, while men are doing business outside home because it is better for women to stay at home"* and another one believed that *"a wife is in a position to wait rather than to lead"*. The view that women are only allowed to engage in business activities *"for the purpose of supporting [her] husband in income generation"* was also reported. Another view was that because entrepreneurs generally need to be mobile *"it is difficult for women [to engage in business activities] since they have to take care of domestic matters, [although they] can still help in marketing"*.

A smaller proportion of responses (7%) related to the perception that there are still gender inequalities in society: *"Indonesian society is still discriminatory. Gender equality has not been attained"*.

Lastly, the perception that self-employed women are not well regarded was also highlighted by one respondent as a disincentive for women to engage in businesses activities: *“Here self-employed women were considered bad; if they are employees or workers that is considered good”*.

### 3.5 SUMMARY

All five types of entrepreneurial traits were found amongst sanitation entrepreneurs although the most dominant were a proactive approach and need for achievement. More successful entrepreneurs demonstrated a higher number of traits than less successful entrepreneurs, and a higher presence of a proactive approach, innovativeness and risk-taking behaviour traits was found amongst successful entrepreneurs.

The findings revealed a strong sense of social responsibility amongst entrepreneurs, although no relationship between success and the presence of pro-social traits was found. Most entrepreneurs, both successful and unsuccessful, were classified as having medium to strong pro-social traits. A range reasons for the entrepreneurs’ sense of social responsibility was found. In some cases they were intrinsically motivated through, for example, a sense of empathy with the poor, religious beliefs and feelings of self-satisfaction in helping. In other cases, the underlying motive appeared to be extrinsic and related to the entrepreneur’s current side job if this job was aligned with objectives of the business. This was the case of entrepreneurs who were also sanitarians.

The findings also revealed a broader range of motivations and benefits from engaging in the sanitation business beyond pro-social goals. These included extended social networks, increased recognition and status, and pride.

The majority of the sanitation businesses (77%) were considered to be successful, and of these a smaller number (14%) were highly successful. Most were still in operation and their profits had either remained stable after three years of operation or they had increased, and only a small proportion didn’t grow and declined right after establishment. More than half of the enterprises (55%) made monthly revenues lower than IDR 5 million (USD 376), and the majority (60%) reported an annual average of accumulated assets below IDR10 million (USD 753).

Respondents’ perceptions of what characterises a successful sanitation entrepreneur emphasised personality traits such as persistence, self-motivation, risk-taking, friendliness. Skills were also emphasised although to a lower degree. These included technical, business management, and marketing skills.

A relationship between success and time commitment, as well as the sector of the entrepreneurs’ previous experience was found. The majority of high success entrepreneurs spent a higher number of days per week on the business than unsuccessful entrepreneurs. Further, greater experience in government was evident amongst highly successful entrepreneurs than others.

A relationship between success and a number of characteristics of the enterprise was also found. These included the location, size and staff composition, years of operation, as well as engagement in product or service development, and initial investment. Higher levels of success were found amongst enterprises located in sub-urban and urban areas. Concerning the age of the enterprise, the majority of businesses had five years of operation or less, however the proportion of enterprises operating for more than 10 years was highest in highly successful enterprises. Further, higher numbers of staff were found amongst enterprises with higher levels of success, and in general successful enterprises employed more part-time staff than others. Highly successful enterprises also tended to be more active in product and service development activities than enterprises with lower levels of success.

The findings also revealed higher amounts of initial investment amongst successful entrepreneurs than unsuccessful entrepreneurs.

Membership of associations was also highlighted as an important contributor to success as most of the successful entrepreneurs were members of sector-related associations and reported this as a positive experience. Commonly reported benefits included camaraderie and friendship, access to information, development of technical skills and networking.

Of the contextual factors that can affect success, the findings emphasised operational aspects as the most challenging, including high cost of materials and high fixed expenses. Significant emphasis was also given to other types of challenges such as access to market, human resources, government and regulations, and financial aspects. Amongst these, the most commonly reported included: lack of demand and lack of access to information about the market; lack of access to finance for customers and lack of alternative sources of finance other than banks; lack of business skills and knowledge and lack of access to training opportunities; unofficial retributions or taxes; and high costs of materials and equipment.

In contrast, reported business success factors emphasised market-related factors as the most important type of success factors. Amongst these, the most commonly reported included access to networks, the existence of demand, and favourable business locations.

Family involvement was evident amongst sanitation entrepreneurs. Just under half of the entrepreneurs (46%) involved other family members in their businesses, with the majority of these (73%) citing benefits such as supporting family income, trust and reliability, lower wages. Only three respondents pointed out challenges including the need for more tolerance and patience.

Respondents also made observations about the prevailing cultural values related to self-employment, business innovators and risk-taking behaviour. More than half of the entrepreneurs perceived self-employment and innovation to be valued within Indonesia's society, and business risk-taking to be valued within their families. In contrast, less than half of the respondents perceived business innovators and business risk-taking to be valued within their communities. Likewise, less than half of the respondents perceived business risk-taking to be valued within Indonesia as a whole. Cultural perceptions around business prosperity were also evident in responses to an open-ended question concerning the biggest challenges: *"Self-willingness to expand the business is not big because of the bad image in society if a person tries to expand the business"*.

In analysing the relationship between success and gender, it was found that female entrepreneurs achieved lower levels of success than male entrepreneurs, however there were far few female entrepreneurs in the study. Entrepreneurial self-perceptions and perceptions of the business environment provide some insight into this. Compared to male entrepreneurs, female entrepreneurs demonstrated more risk-averse attitudes and less innovative outlook than male entrepreneurs. Further, they demonstrated a lower commitment to continuing the business in the future and less confidence in the future success of the business.

Concerning perceptions of gender differences, the findings revealed that the majority of the respondents perceived that it was easy for women to become entrepreneurs in Indonesia as well as within the respondents' local communities. Reasons presented for these views provide insights into what can influence the success of female entrepreneurs compared to male entrepreneurs. Of the reasons presented to why it's easy for women to become entrepreneurs in Indonesia or within the entrepreneurs' communities, the most common was the belief that women's personalities and natural skills were better suited for business management activities

than men's: "*women who are doing business might have better communication skills than men and are much easier to mingle with compared to men*". Another common reason presented was associated with the perception that gender differences are becoming less of an issue in today's globalised society in which access to information and education is increasing.

Amongst the reasons given for why it's difficult for women to become entrepreneurs, the most dominant were based on the belief that women's motivations, personalities and skills weren't suited to business activities: "*Women have lower motivation [and] lower risk-taking [behaviour than men]*". Another common reason presented was associated with belief that women's essential role is to take care of domestic activities and not to lead or engage in business activities.

## 4 WATER ENTERPRISES

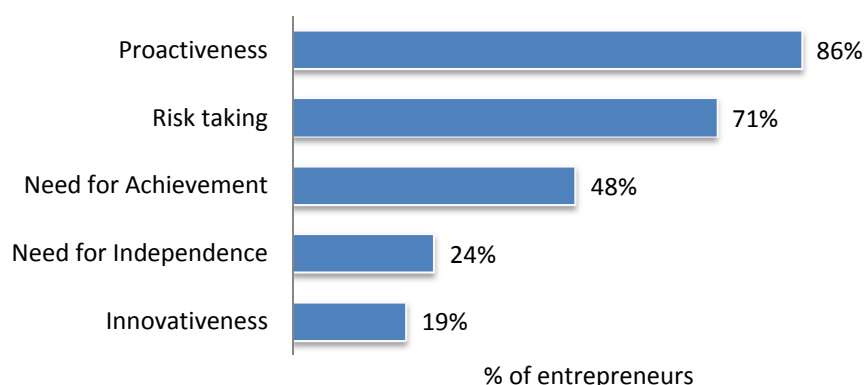
In this section we discuss the presence of entrepreneurial and pro-social traits and motivations amongst the water enterprise leaders, as well as other types of motivations beyond pro-social motivations. We also analyse the different levels of success achieved across the sample and perceptions of successful entrepreneurs and success factors. Further, we discuss the relationship between success and a number of factors, including the characteristics of the water enterprise and its leader, the respondents' entrepreneurial and pro-social traits, as well contextual factors and gender.

### 4.1 ENTREPRENEURSHIP AND ENTREPRENEURIAL TRAITS

Five entrepreneurial traits described Ernst (2012) were considered: a proactive approach, need for independence, need for achievement, innovativeness, and risk taking. To test for the presence of these traits a set of quantitative questions and a set of qualitative questions were used.

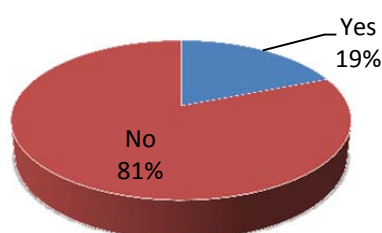
As Figure 95 shows, the most dominant traits amongst the leaders of the water enterprises were a proactive approach (86%), risk taking (76%), and need for achievement (48%).

**Figure 95. Entrepreneurial traits present amongst water enterprise leaders**



To test for the presence of innovativeness traits a question on whether the entrepreneur had developed new products or services for their customers was used. As Figure 96 shows, only 19% of the respondents claimed they had undertaken new product or service development. Moreover, the examples provided included drinking refill and pipeline installation, which are incremental improvements or modifications of existing products or services rather than actual innovations.

**Figure 96: Proportion of water enterprises that developed new products or services**



## 4.2 PRO-SOCIAL TRAITS AND MOTIVATIONS

The term pro-social is used to explain the tendency of a person to voluntarily behave (or intend to behave) in a way that benefits others. Pro-social behaviour is usually carried out to promote wellbeing in the society (Brief & Motowidlo, 1996). Ernst (2012) identifies two core traits that characterise a pro-social personality: a sense of social responsibility and empathy with the poor.

In this section we discuss the pro-social traits and motivations of water enterprise leaders and the pro-social traits and motivations of other staff in general as perceived by the enterprise leader.

### 4.2.1 Pro-social traits and motivations of the water enterprise leader

The presence of pro-social traits was assessed through seven questions that examined the entrepreneurs’ drivers and motivations to start the business, their business goals and future business prospects, perceived benefits from engaging in this type of business, whether they perceived the business as providing a social service, and their orientation towards serving the poor. Respondents that revealed any of these traits in 0 to 2 questions were considered to have zero or weak pro-social traits. Respondents that revealed these traits in 3 to 4 questions were considered to have medium pro-social traits, and respondents that revealed 5 and above were considered to have strong pro-social traits (see Table 4).

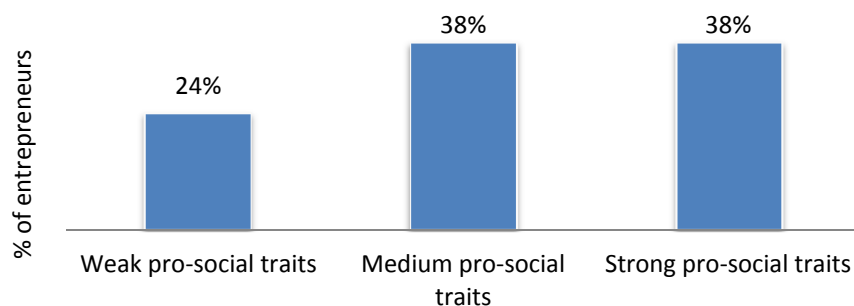
It was expected that water enterprise leaders with a strong pro-social traits would focus more on promoting social wellbeing than on profit.

**Table 4: Levels of pro-social traits**

Category	Score
No pro-social traits	0
Weak pro-social traits	1-2
Medium pro-social traits	3-4
Strong pro-social traits	5+

As Figure 97 shows, the majority of the water enterprise leaders had either medium pro-social traits (38%) or strong pro-social traits (38%).

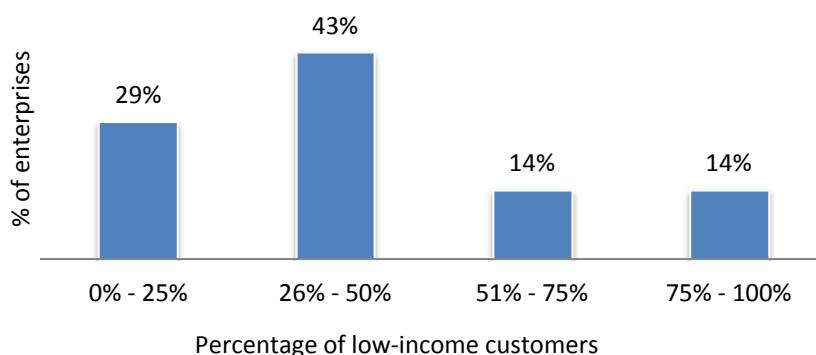
**Figure 97. Levels of pro-social traits present amongst water enterprise leaders**



As shown in Figure 98, in 43% of the cases, low-income customers represented 26% to 50% of the water enterprise’s customer base, and for 28% of the water enterprises, these represented more than half of their customer base.

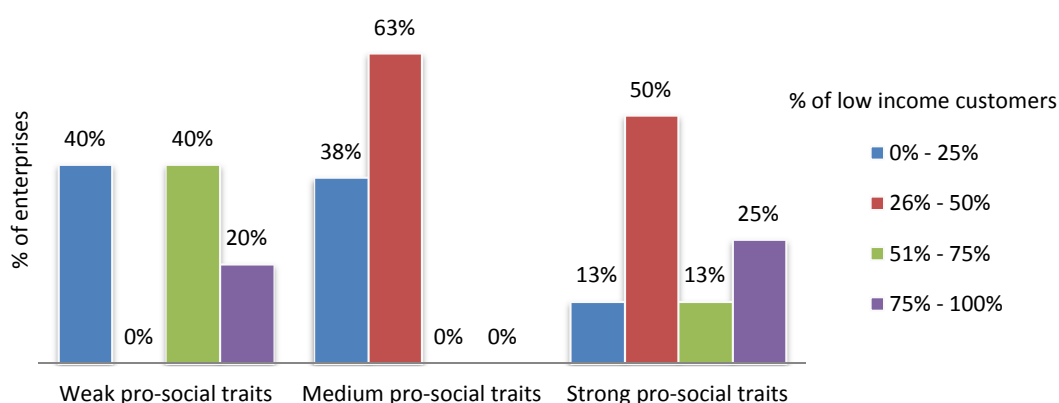


**Figure 98. Proportion of water enterprises with low-income customers**



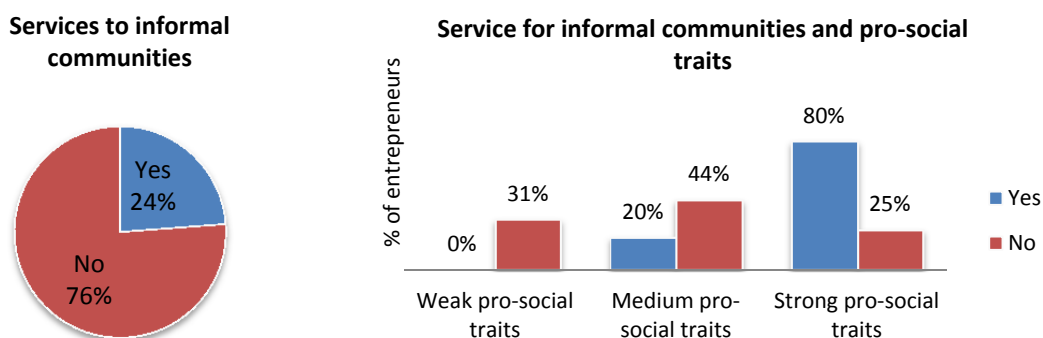
However, water enterprise leaders with pro-social traits (medium and strong pro-social traits) were not necessarily running enterprises that served large numbers of low-income customers. Instead, as Figure 99 shows, for the majority of these enterprises, low-income customers represented 50% or less of their customer base, although for 25% of the the enterprises with strong pro-social traits, low-income customers represented 75% to 100% of their customer base.

**Figure 99. Percentage of low-income customers across water enterprises with different levels of pro-social traits**



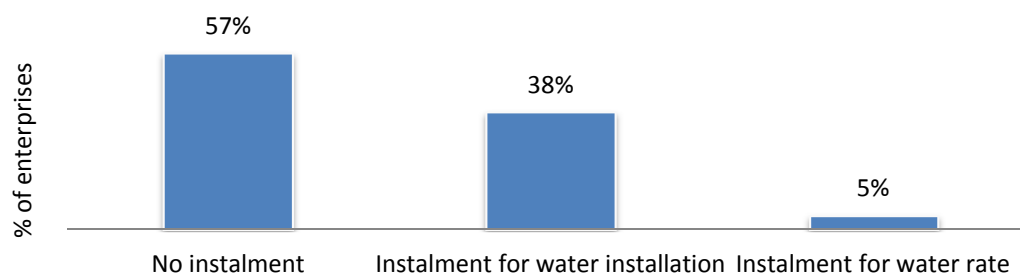
In contrast, although only a small proportion of the water enterprises served informal settlements (24%), in all cases their leaders demonstrated some level of pro-social traits (Figure 100).

**Figure 100. Proportion of water enterprises providing services for informal communities**



As Figure 101 shows, the majority of the water enterprises (57%) didn't offer installment payments, and of the ones who did, 38% offered installment payments for the water installation fee and 5% offered installment arrangements for the payment of water tariffs.

**Figure 101. Proportion of Instalment payment provided by water provider entrepreneurs**



The findings revealed that different factors drove a sense of social responsibility. For example, for two entrepreneurs their sense of social responsibility appeared to be intrinsically driven by religious beliefs and a desire to be “rewarded religiously” whereas for another, a sense of social responsibility appeared to be linked to self-satisfaction in helping: “[I get a] good feeling from serving society needs”.

In other cases however, this sense of social responsibility can be extrinsically motivated and closely linked to the respondent's side job. For example, water service provision aligns with the village government's role of addressing community needs and promoting healthy communities. This could have been the case for two respondents whose parallel jobs were at the village office.

Reported motivations and drivers underpinning the provision of services to the poor included a sense of empathy with the poor by the water enterprise: “Because they need help, the very poor families will be given the service free”.

In contrast, reported reasons for not providing services to informal communities included a perception that “no one lives in illegal land” and that “there are no such issues”. As one respondent noted: “every area of land which is settled by people is legally owned land”. An additional reason was the perception that this “could create social jealousy” and “create new problems”. One respondent explained that if he offered services for informal communities at a discounted rate, other customers who lived in formal settlements would feel jealous.

#### 4.2.2 Pro-social traits across different types of water enterprise

The findings highlighted a connection between pro-social traits and the formal management structure of each enterprise (for example cooperative, villages owned enterprise etc.). Stronger pro-social traits were found amongst leaders of cooperatives than other types of water enterprise. All leaders of cooperatives had strong pro-social traits, compared to 18% of the leaders of BUMDES-type of enterprises and 0% of the leaders of other types of water enterprise.

Although no strong conclusions can be made from comparing the proportions of low-income households across different management models, it is worth noting that for 50% of the cooperatives as well as for all other types of enterprise, low-income households represented more than 40% of the customer base, whereas for the majority of the BUMDES-type enterprises (82%) these low-income households represented less than 40% of their customer base.

In contrast, none of the cooperatives offered installment payments, whereas 55% of the BUMDES-type enterprises offered them. Concerning the remaining types of enterprise, the foundation and informal enterprises offered this modality of payment whereas associations and the limited liability companies did not.

### 4.2.3 Pro-social traits and motivations of other staff

Concerning motivations other staff had for joining the water enterprise as perceived by the enterprise manager, the presence of a pro-social goal was the dominant reported motivation (81%). Although financial gains were also reported as a motivation (19%) (see section 4.3.2), in all cases this was reported in parallel to intangible rewards such as a social purpose. For example, one respondent explained that engagement in the water enterprise could not be justified by financial gains, as these were too low: *“the salary for this business is low so it is not because of financial concerns”*.

Different types of situations that could be driving this sense of social responsibility were also reported. These included self-satisfaction with helping, a sense of group mission, and religious motivations. For example one respondent noted that he *“got a good feeling from helping the poor.”* Another explained how *“care for each other and a sense of togetherness”* had motivated staff to join the enterprise. Yet another one noted that the ten volunteers who had joined his enterprise all had a desire to *“be rewarded religiously”*.

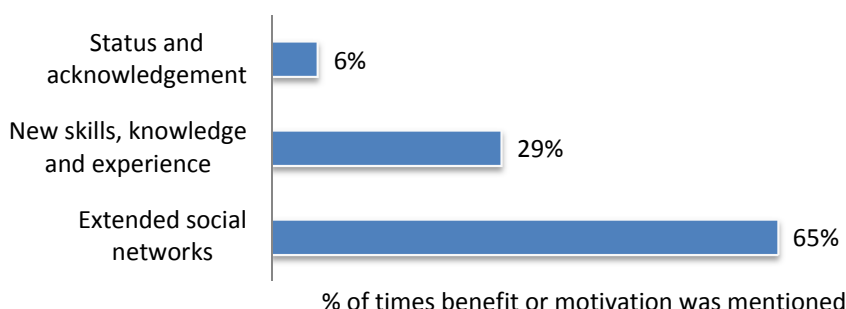
## 4.3 OTHER MOTIVATIONS

### 4.3.1 Other motivations of the water enterprise leader

A broad range of benefits beyond pro-social motivations, which can act as incentives for entrepreneurs to engage in this type of businesses, was revealed. The most commonly reported was **extended social networks** (52%) (Figure 102). For example one water enterprise leader commented that through being involved in the water enterprise he now had *“lots of friends and brothers or sisters”*. The opportunity to develop **new skills, knowledge and experience** was also emphasised, and represented 29% of the responses. A smaller proportion of responses (6%) also emphasised **status and acknowledgement**. For instance one respondent commented on how he enjoyed being *“seen as a helpful person in society and being able to work for society”*.

Further, it’s interesting to note that financial or material benefits were not mentioned.

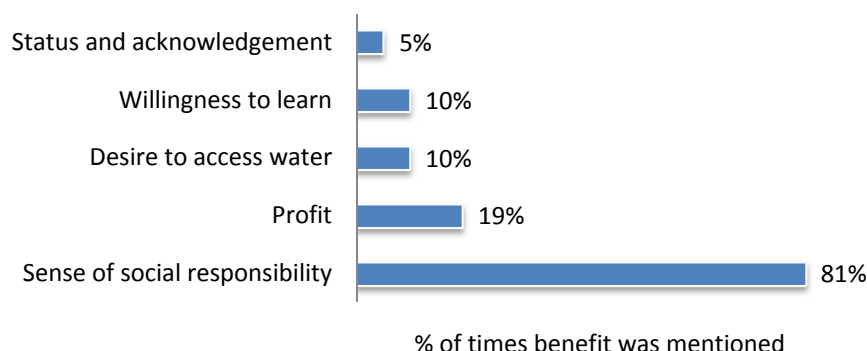
**Figure 102: Benefits from engaging in the water enterprise for the water enterprise leader beyond social goals**



### 4.3.2 Other motivations of other staff

Concerning motivations of other staff to join the water enterprise as perceived by the enterprise leader, motivations and benefits beyond pro-social goals and financial gains were also reported, including a personal desire to access clean and affordable water (10%), willingness to learn new skills (10%), and status and acknowledgement (5%) (Figure 103).

**Figure 103: Benefits from engaging in the water enterprise for other staff as perceived by the water enterprise leader**



## 4.4 SUCCESS

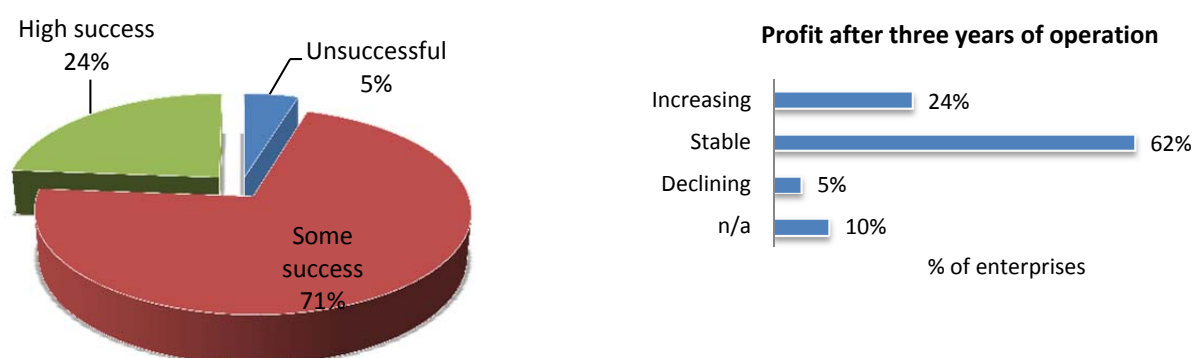
### 4.4.1 Level of success achieved

In this section, we describe the levels of success of the water enterprises. This was assessed by analysing the profit growth after establishment and over recent years, monthly revenue in the past year in proportion to the total number of households and institutions served, amount of accumulated assets per year (Rp/yr), and clarity of vision about the future of the business.

Amongst the 21 water enterprises, only one (5%) was considered unsuccessful, 71% were considered to have achieved some level of success, and 24% were highly successful (Figure 104).

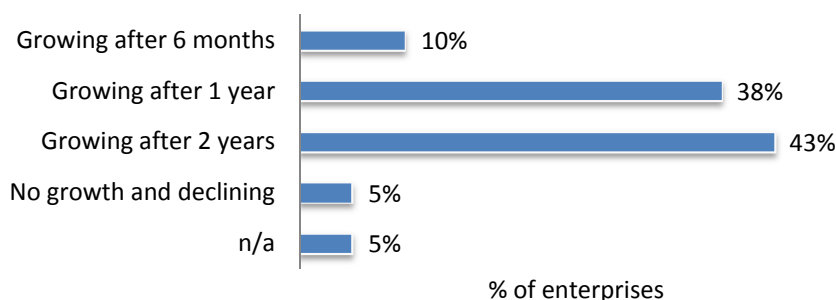
As Figure 104 below shows, in most cases (86%) the enterprise profit had either remained stable after three years of operation or increased, and only one water enterprise, an association, didn't grow and declined right after establishment.

**Figure 104. Levels of success of the water enterprises**



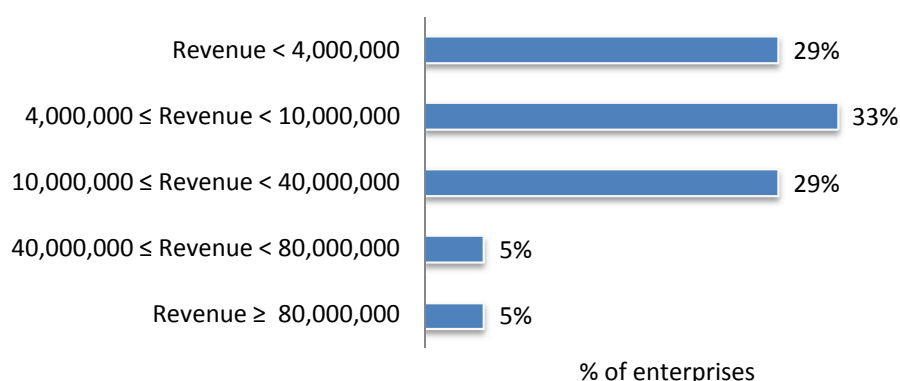
Further, although almost all water enterprises (90%) grew after establishment, for a significant proportion (43%) this only happened after two years of operation (Figure 105).

**Figure 105. Growing profit of water provider enterprises after establishment**

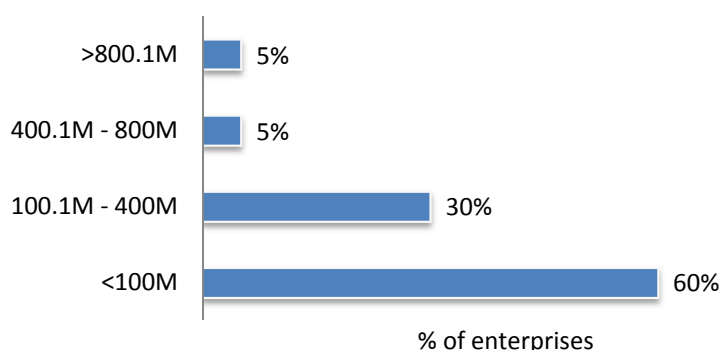


The reported monthly revenue ranged from less than IDR 4 million (USD 307) to more than IDR 80 million (USD 6,134). As Figure 106 and Figure 107 show, the majority of the enterprises (91%) made less than IDR 40 million (USD 3,067) in monthly revenue, and of the 20 respondents who reported on the business annual average accumulated assets, the majority (60%), reported an annual average below IDR 100 million (USD 7,667). The highest monthly revenue was reported by a limited liability company (IDR 120 million or USD 9,000), followed by a cooperative (IDR 45 million or USD 3,375).

**Figure 106. Monthly revenue (IDR) of water provider enterprises**



**Figure 107. Annual average accumulated assets of the water enterprises**



Connections between the amount of starting investment and the formal management structure of the enterprise were also found. All of the cooperatives, as well as the informal enterprises, reported a starting investment below IDR 50 million (USD 3,750), whereas 55% of the BUMDES-type of enterprises and the foundation reported a starting investment of between IDR 200 million (USD 15,000) and IDR 400 million (USD 30,000).

Concerning the annual average of accumulated assets from the business activity, the highest amounts were reported by a cooperative (between IDR 400 million or USD 30,000 and IDR 800 million or USD 60,000) and a foundation (over IDR 800 million or USD 60,000). Nevertheless the majority of the cooperatives (83%), and all of the other types of water enterprise, reported annual average accumulated assets below IDR 400 million (USD 30,000).

#### 4.4.2 Perceptions of characteristics of leaders of successful water enterprises

Based on an open-ended question about what characterises a leader of a successful water enterprise, respondents’ perceptions included personality traits (65%), skills (27%), and other type of characteristics (8%) (see Table 5).

**Table 5: Perceived characteristics of a successful entrepreneur\***

Personality traits	Skills	Other characteristics
<ul style="list-style-type: none"> <li>• Calm</li> <li>• Committed</li> <li>• Curious/ willingness to learn</li> <li>• Diligent</li> <li>• Disciplined</li> <li>• Enthusiastic/ passionate/ self-motivated</li> <li>• <b>Flexible/ tolerant</b></li> <li>• Forward-looking</li> <li>• Hard-working</li> <li>• <b>Honest</b></li> <li>• <b>Innovative/ creative</b></li> <li>• Insightful</li> <li>• Leader</li> <li>• Modest/low profile</li> <li>• Non-authoritarian</li> <li>• Not emotional</li> <li>• Open minded</li> <li>• Perceptive/ acute</li> <li>• Polite</li> <li>• Proactive</li> <li>• Problem-solver</li> <li>• Responsible</li> <li>• Risk-taker</li> <li>• Sense of social responsibility</li> <li>• <b>Smart</b></li> <li>• Sociable/ friendly/ communicative</li> <li>• Team worker</li> <li>• <b>Persistent/ patient</b></li> <li>• Thorough/ meticulous/ careful</li> <li>• Unselfish</li> <li>• Willing to sacrifice</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Business management</b></li> <li>• Communication</li> <li>• Computer</li> <li>• Customer service/ managing customer complaints</li> <li>• <b>Financial management</b></li> <li>• Human resource management</li> <li>• Marketing</li> <li>• Networking</li> <li>• <b>Technical</b></li> <li>• Time management</li> </ul>	<ul style="list-style-type: none"> <li>• Access to networks</li> <li>• Access to training</li> <li>• <b>General experience and practice</b></li> <li>• Well-educated</li> </ul>

\* items in bold are the most commonly reported characteristics

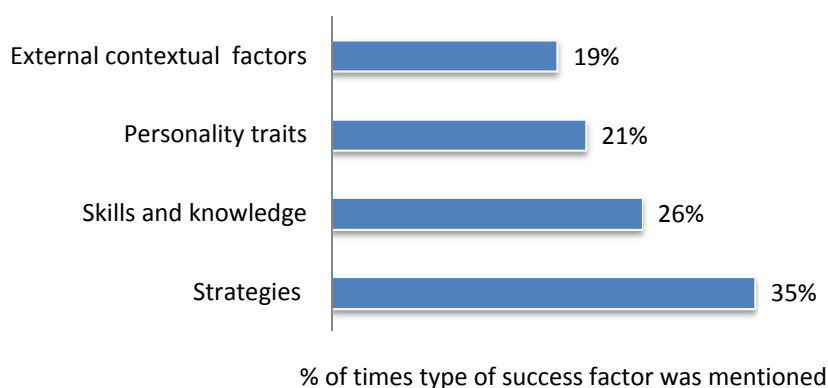
Of the personality traits, the most commonly reported were honesty (57%), persistence and patience (43%), innovativeness and creativeness (29%), flexibility and tolerance (24%), and intelligence (24%). Of the skills, the most commonly reported included technical skills (48%),

business management skills (33%), and financial management skills (33%). Under other characteristics, the most commonly reported was general experience and practice (29%).

### 4.4.3 Perceptions of success factors

In response to an open-ended question about what contributed the most to the success of the respondent’s water enterprise, the reported success factors ranged from strategies (35%), skills and knowledge (26%), personality traits (21%), and external contextual factors (19%) (Figure 108).

**Figure 108: Categories of reported factors that helped the water enterprise succeed**



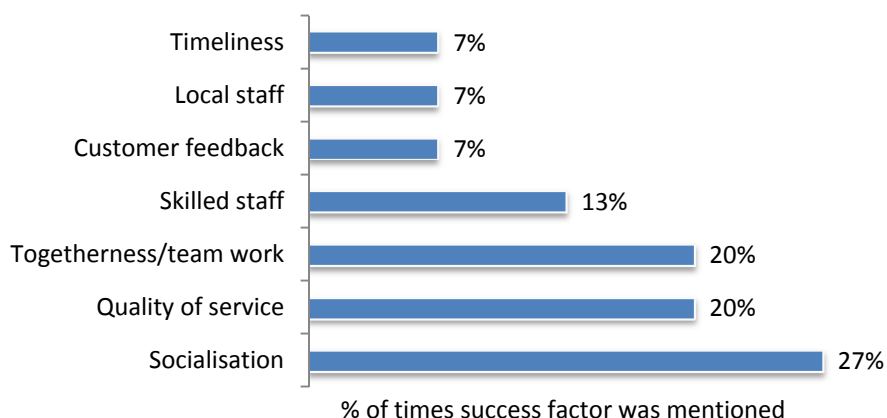
In the following sections we discuss the success factors that fall under these categories in more detail. Success factors that fall under the category of external contextual factors are discussed in section 4.4.8.

#### *Business strategies as perceived success factors*

As Figure 109 shows, amongst the business strategies reported as success factors, communicating the importance of access to clean and safe water within communities was the most common. For example one respondent noted that “*making society understand about the importance of clean water*” was important for success. Another added that “*society’s understanding that HIPPAMS [water provider organisations] needs operational support and support from government, and dissemination by community leaders*” were important success factors. The importance of “*social awareness of the importance of not stealing water which is managed by HIPPAM*” was also highlighted.

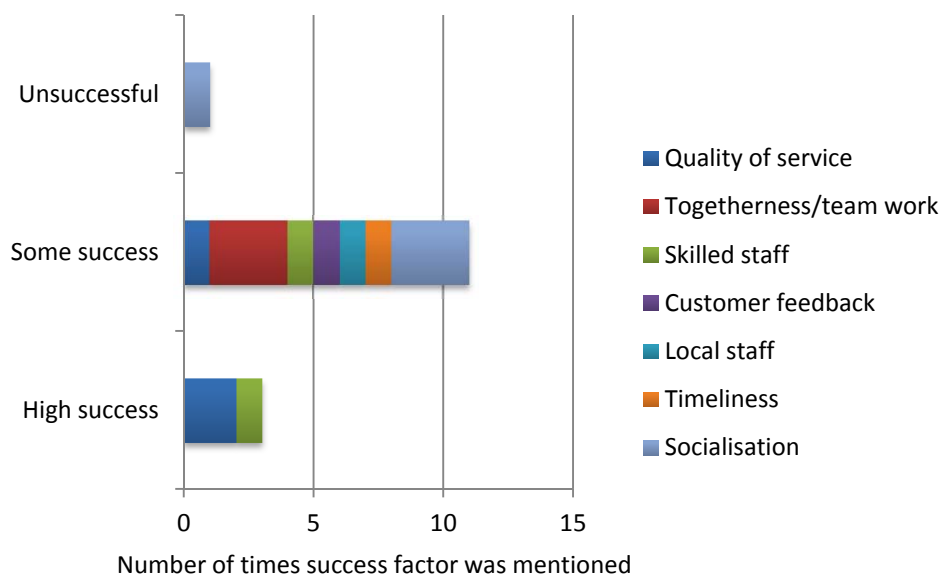
Other business strategies reported as success factors which also received some emphasis included a focus on the service quality, a teamwork approach, and skilled staff (Figure 109).

**Figure 109: Business strategies reported as success factors**



As **Figure 110** below shows, leaders of highly successful enterprises emphasised quality of service and skilled staff in particular. In addition to these, a range of other strategies was mentioned by enterprises classified as having ‘some success’, whereas the unsuccessful enterprise only mentioned ‘socialisation’, which could be considered insufficient for achieving business success.

**Figure 110: Business strategies reported as success factors by leaders of successful and unsuccessful water enterprises**

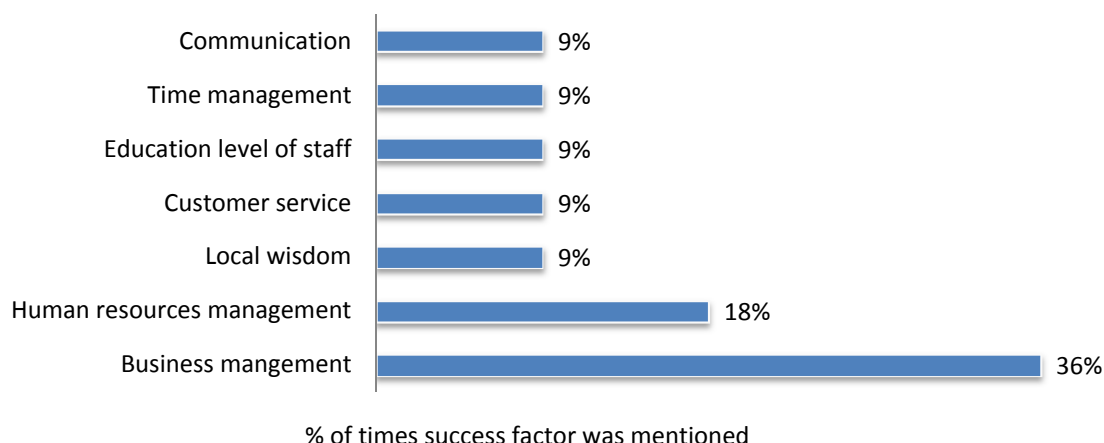


***Knowledge and skills as perceived success factors***

As **Figure 111** below shows, amongst the skills and knowledge reported as success factors, the most common ones were business management skills and human resources management skills. For example one respondent highlighted the importance of “*coordination across departments*”, while another one noted the importance of good “*inter-staff relationships*”, and another one emphasised the importance of a “*capable human resources department*”.

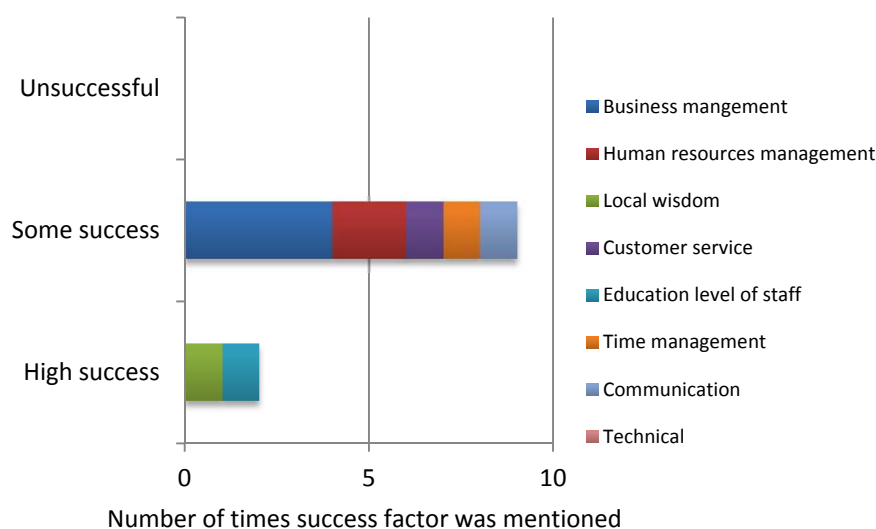


**Figure 111: Knowledge and skills reported as success factors**



However it’s important to note that local wisdom and the education levels of the enterprise staff were noted by leaders of highly successful enterprises in particular, and that the success factors reported by the unsuccessful enterprise did not include any knowledge and skills (Figure 112).

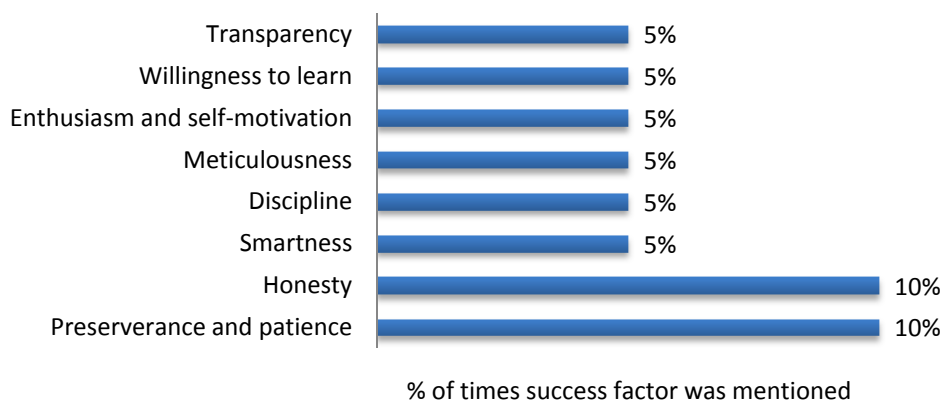
**Figure 112: Knowledge and skills reported as success factors by leaders of successful and unsuccessful water enterprises**



***Personality traits as perceived success factors***

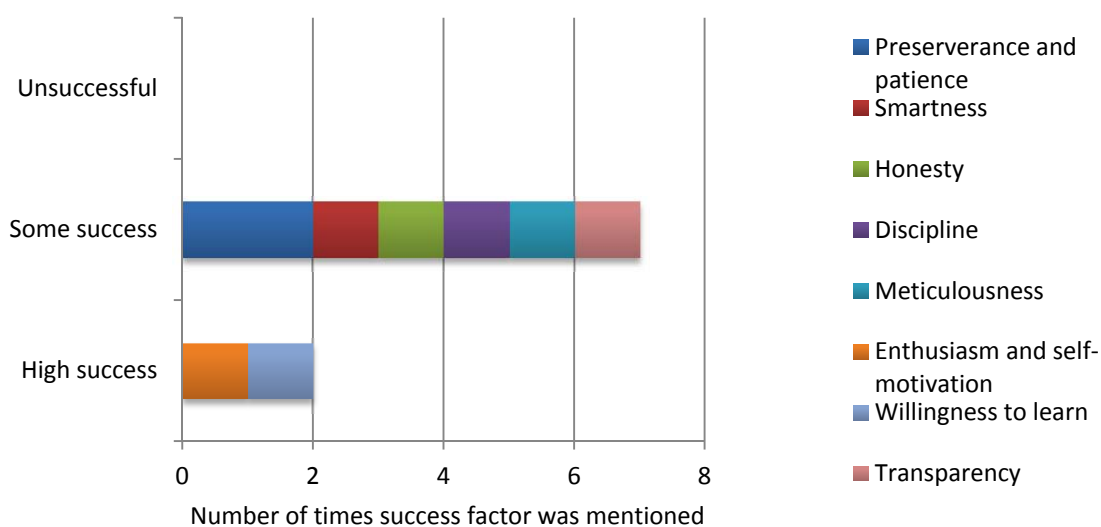
As Figure 113 below shows, amongst the personality traits reported as success factors, the most common were perseverance and patience, and honesty. For example one respondent highlighted the importance of being “*observant and tenacious in handling technical aspects*” and another emphasised the importance of having administrative staff that were “*financially trustworthy*”.

**Figure 113: Personality traits reported as success factors**



Of the personality traits reported as success factors, enthusiasm and self-motivation, and a willingness to learn were only mentioned by leaders of highly successful enterprises, whereas enterprises classified as having had ‘some success’ particularly emphasised perseverance and patience. Success factors reported by the unsuccessful enterprise didn’t include any personality traits (Figure 114).

**Figure 114: Personality traits reported as success factors by leaders of successful and unsuccessful water enterprises**



#### 4.4.4 Relationship between success and enterprise leader characteristics

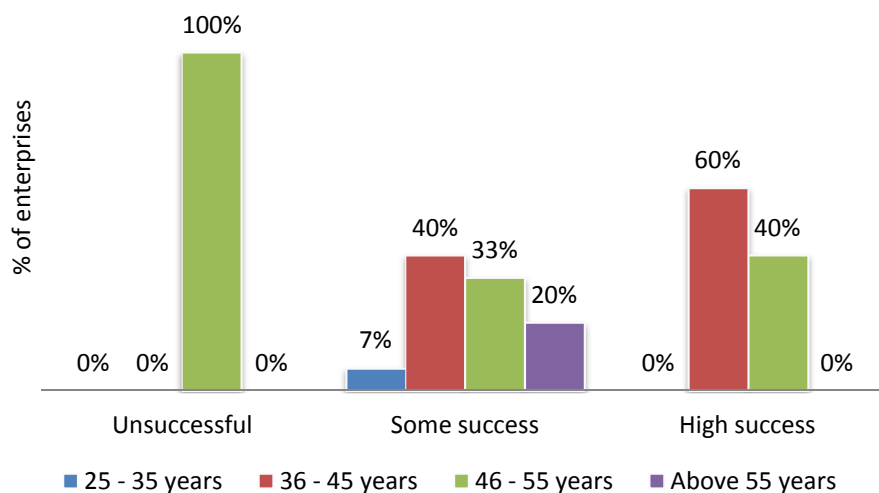
Given the significant differences between the numbers of enterprises across the different levels of success, it was not possible to draw clear relationships between levels of success of enterprises and the characteristics of the enterprise leaders. Instead, we focused on characterising the highly successful enterprises in contrast with the enterprises that achieved some level of success and the unsuccessful enterprise.

##### *Age and education*

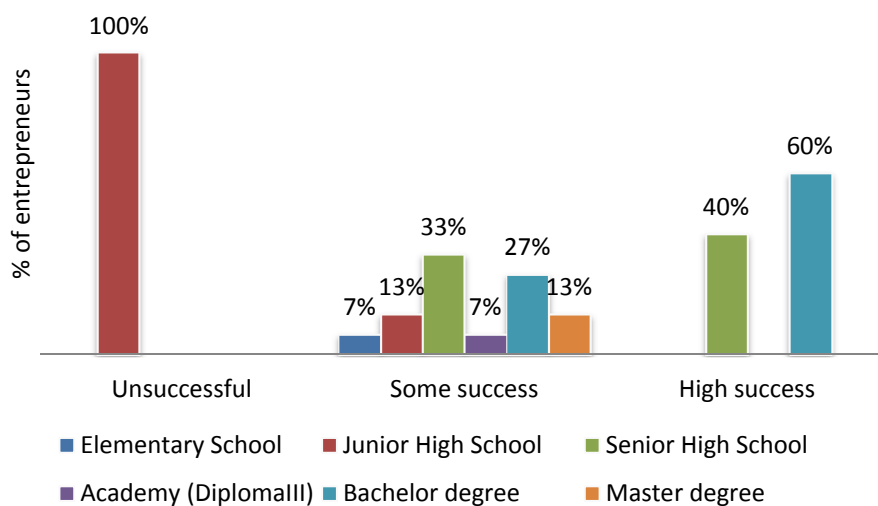
No clear relationship between the age and the level of education of the water enterprise leaders and the level of success of the enterprises was evident (Figure 115 and Figure 116). It is interesting to note however, that all of the leaders of the highly successful enterprises were in

the 36 to 55 age group (Figure 115) and had either completed high school or a bachelor’s degree (Figure 116). In contrast, the leader of the unsuccessful enterprise had only completed junior high school. Further, larger proportions of higher levels of education were found amongst leaders of highly successful enterprises than those that achieved some success (Figure 116).

**Figure 115. Age of the water enterprise leaders and levels of success of the enterprises**



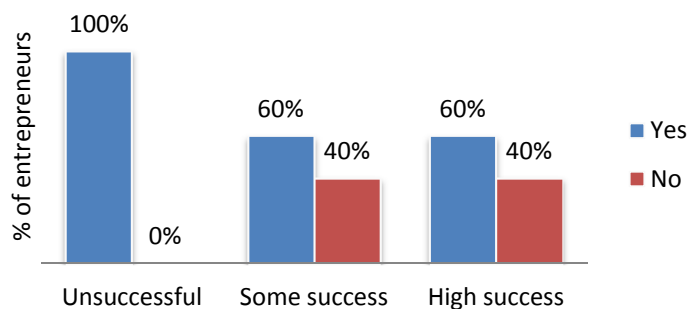
**Figure 116. Education levels of the water enterprise leaders and levels of success of the enterprises**



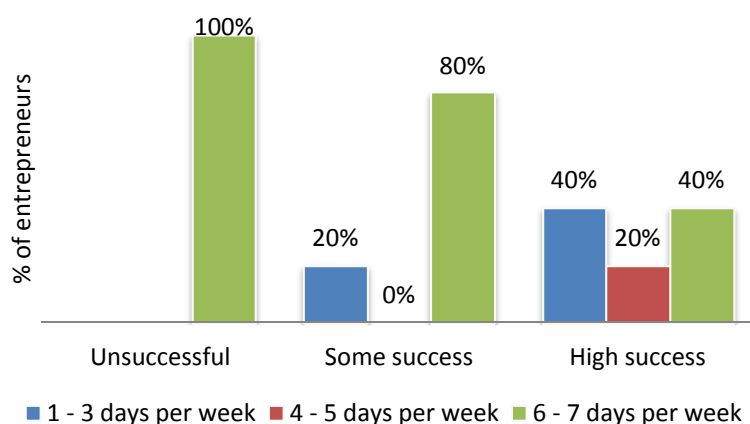
*Time commitment*

Although no clear pattern was found between success and the interviewees’ time commitment to the water enterprise, as **Figure 117** below shows, amongst the leaders of both ‘some success’ and highly successful enterprises, 60% had a side job. Nevertheless, the majority of the leaders of these enterprises (60% - 80%) spent four or more days per week on their water enterprise (**Figure 118**).

**Figure 117: Proportion of water enterprise leaders with side jobs and levels of success of the enterprises**



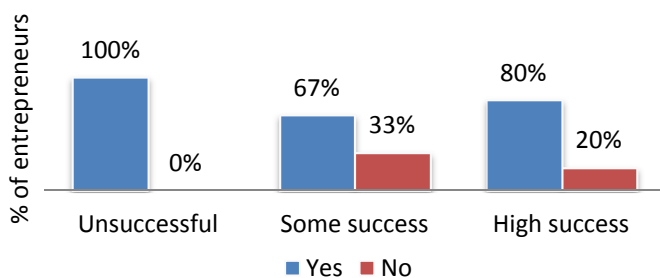
**Figure 118: Time spent on the water enterprise and level of success**



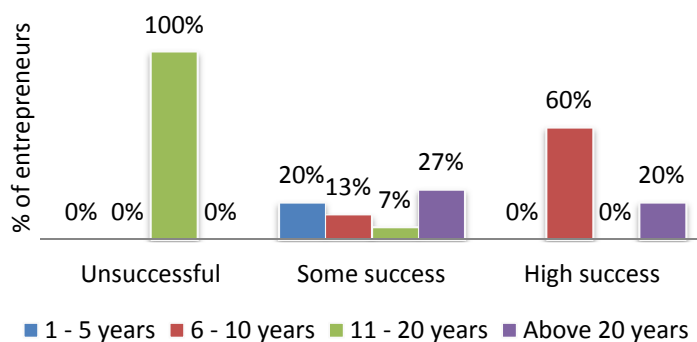
*Previous working experience*

A relationship between success and the previous experience of the enterprise leader was also not evident. As **Figure 119** below shows, four out of the five leaders of the highly successful enterprises had more than five years of work experience, although this was also the case of the leader of the only unsuccessful enterprise who had more than ten years of previous work experience, and a significant proportion of the enterprises that achieved some success (**Figure 119** and **Figure 120**).

**Figure 119. Previous work experience of the water enterprise leaders and levels of success of the enterprises**



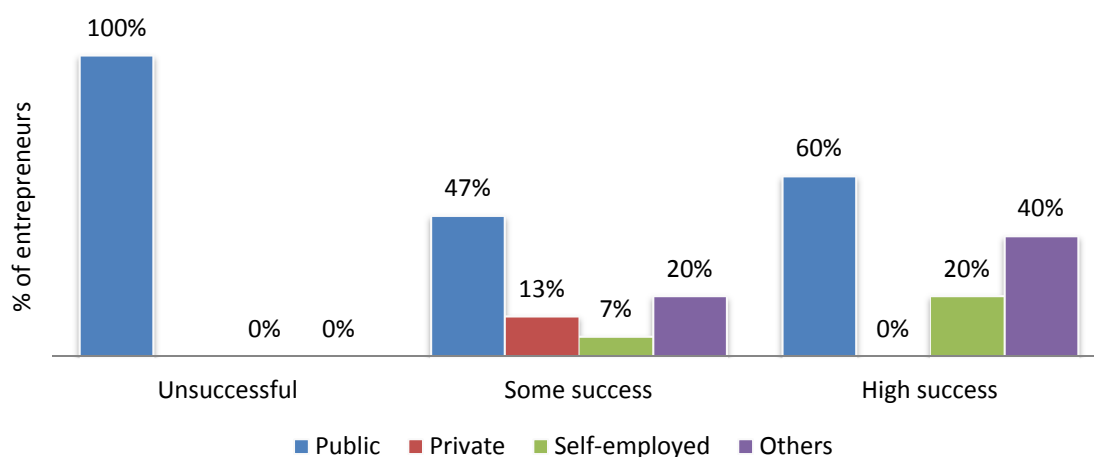
**Figure 120. Relationship between length of previous working experience and level of success<sup>3</sup>**



<sup>3</sup> Note: Not all leaders of ‘some success’ sanitation enterprises and ‘high success’ sanitation enterprises provided answers to questions concerning the length and sen of their previous working experience. Hence the bars in the graph under the ‘some success’ and ‘high success categories do not add up to 100%.

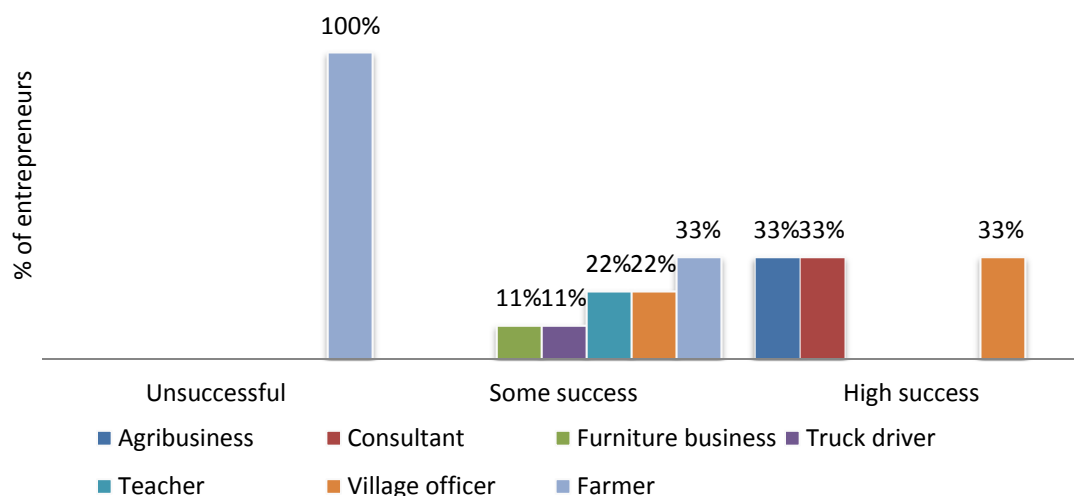
Three out of five of the leaders of highly successful water enterprises had previous work experience in the public sector, although this was also the case for the only unsuccessful enterprise and almost half of the enterprises that had achieved some level of success (Figure 121).

**Figure 121. Relationship between sector of previous working experience and level of success<sup>4</sup>**



As mentioned in section 2.2.1, most of the respondents had a side job while leading the water enterprise. This was the case for the leader of the only unsuccessful enterprise who was also a farmer. Three out of the five leaders of the highly successful enterprises also had professional occupations concurrently with leading the water enterprise. These jobs were: an agribusiness, a consultancy and employment as a village officer. Amongst leaders of enterprises classified as having achieved some level of success, nine out of 15 had another occupation concurrently with leading the water enterprise, and at least three of these were farmers (Figure 122).

**Figure 122: Relationship between sector of current side job and level of success**



<sup>4</sup> Note: Some respondents had previous experience in more than one sector, hence bars under category 'high success' add up to more than 100%.

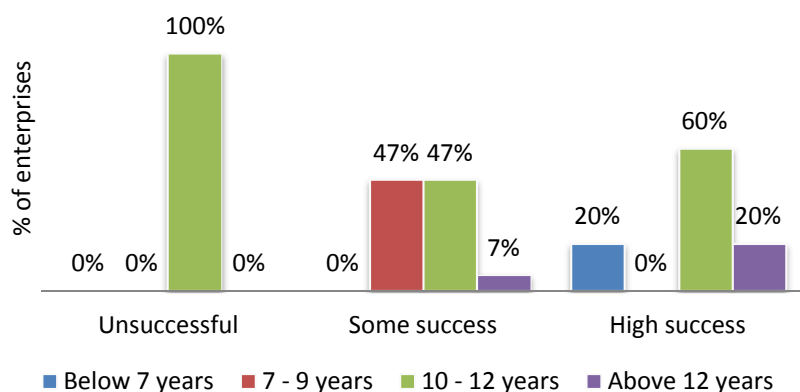
### 4.4.5 Relationship between success and enterprise characteristics

Given the significant differences between the numbers of enterprises across the different levels of success, it was not possible to draw clear relationships between levels of success of enterprises and the characteristics of the enterprise leaders. Instead, we focused on characterising the highly successful enterprises in contrast with the enterprises that achieved some level of success and the unsuccessful enterprise.

#### *Years of operation, location, and size*

As Figure 123 shows, the findings didn't reveal any clear relationship between the number of years of operation of the enterprises and their level of success.

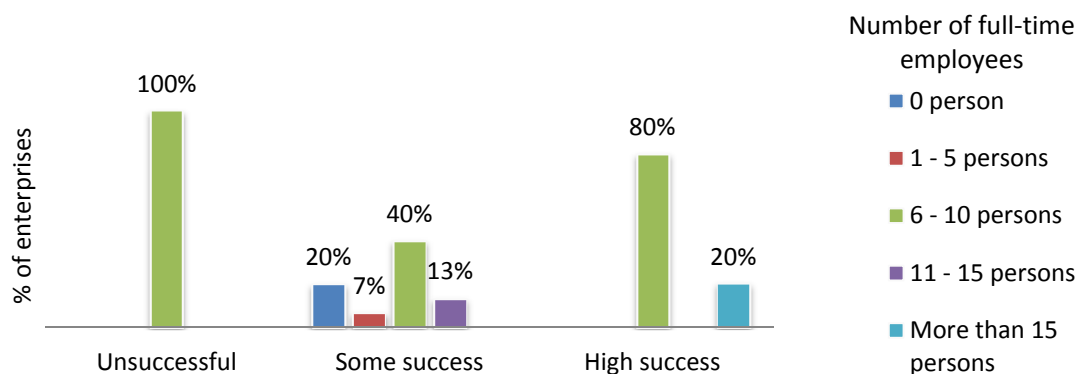
**Figure 123. Relationship between years of operation of the water enterprise and level of success**



Concerning the relationship between location and level of success, it was also not possible to draw any conclusions because 20 out of the 21 enterprises were located in rural areas, and only one was located in a suburban area.

Regarding the size of the enterprise, as Figure 124 below shows, the highest number of full-time employees (more than 15) was found amongst one of the highly successful enterprises, although the majority of these (80%) had six to ten full-time employees, the same number of full-time employees as a significant proportion of the 'some success' enterprises and the only unsuccessful enterprise.

**Figure 124. Relationship between numbers of full-time employees at present and level of success**



**Organisational types**

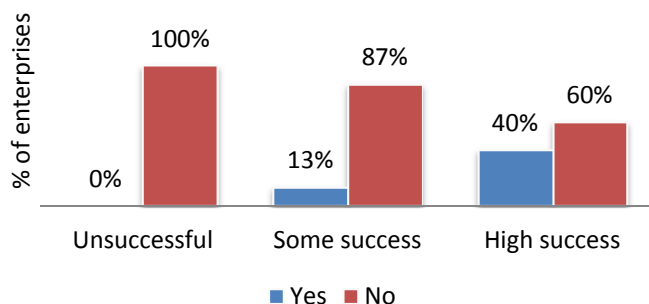
There was no clear pattern relating success to the formal management structure of each enterprise (for example cooperative, villages owned enterprise etc.). The majority of the enterprises considered to have achieved some level of success (60%) were village-owned enterprises (BUMDES), followed by cooperatives (33%) and informal (7%). Of the five highly successful enterprises, two were village-owned enterprises, one was a cooperative, one was a foundation and one was a limited liability company. It is interesting to note that the only unsuccessful enterprise was an association, which lacks formal legal status, although this was also the only association within the sample.

A significant proportion of the remaining enterprises (55%) were village-owned enterprises. Challenges associated with this model were mentioned by some respondents. For example, in one case interference from village administrators had caused major challenges: *“Village government ruins the management, taking over the organisation but they are not doing the mandates. HIPPAM [water provider organisation] funds are [used] for [personal] reasons for village administrators”*. This respondent also noted how the support from an association of HIPPAMs had helped promote success, and it had also had the effect of bringing consumer representatives together. It was beyond the scope of this research to go further into this area, however it is clear that more detailed research is still needed to better understand the relative merits and constraints of the different formal organisation types that are suitable for water service provision in Indonesia.

**Product and service development**

As Figure 125 below shows, two of the five highly successful enterprises (40%) had engaged in product or service development and only 13% of the enterprises with some success had done so. In contrast, the only unsuccessful enterprise had not done so.

**Figure 125. Relationship between new product/service development and level of success**

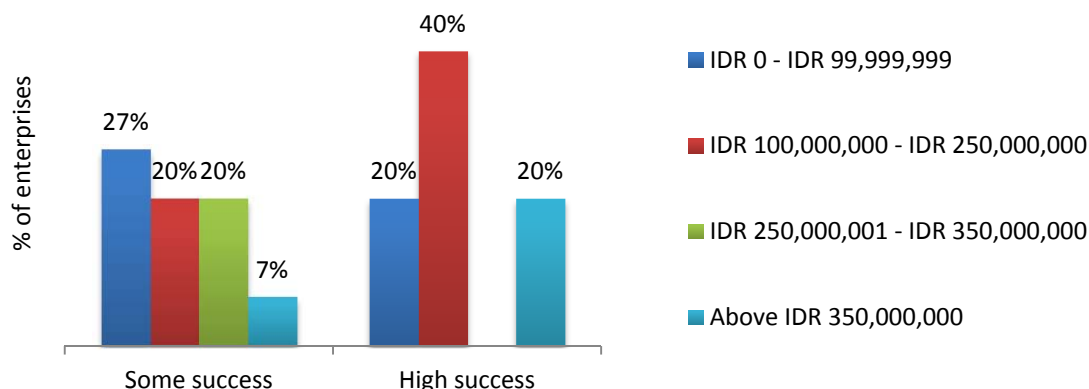


**Initial investment**

As Figure 126 shows, the initial investment in three of the five highly successful enterprises was more than IDR100 million (USD 7,667) and the highest reported amount (IDR 350 million (USD 26,008)) was found amongst a highly successful enterprise. Of the 21 water enterprises in the sample however, 29% did not report the amount of initial investment for starting the enterprise, including the only enterprise classified as unsuccessful. Nevertheless, these respondents all stated that they had invested significant amounts of time and knowledge to start-up their businesses.



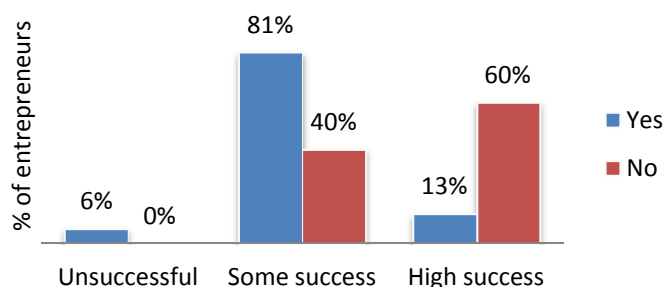
**Figure 126. Relationship between initial investment and level of success**



**Association membership**

As previously mentioned, the majority of the respondents (76%) were members of a water related association. However, the findings didn't reveal any correlation between this and the level of success of the water enterprises. As Figure 127 below shows, amongst the enterprises whose leaders were members of associations, only 13% were highly successful.

**Figure 127: Relationship between membership in water related association by the enterprise leader and level of success of the enterprise**



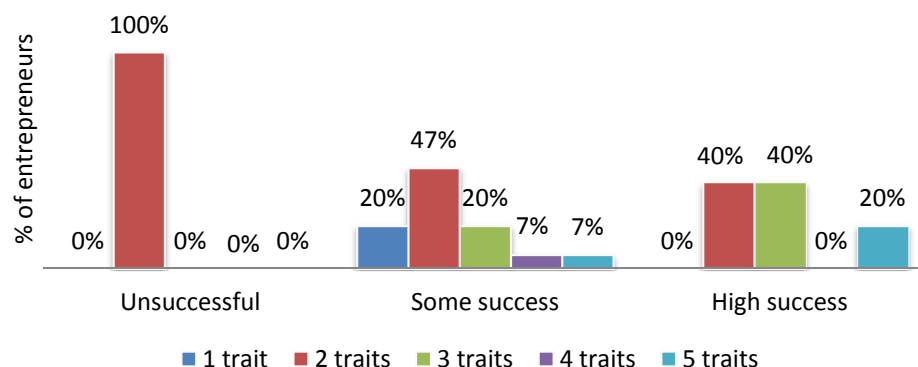
**4.4.6 Relationship between success and entrepreneurial traits**

In this section, we discuss the relationship between success and five core entrepreneurial traits described by Ernst (2012): proactiveness, need for independence, need for achievement, innovativeness, and risk taking.

Given the significant difference between the numbers of enterprises across the different levels of success, it was not possible to draw clear relations between the level of success of the enterprise and the entrepreneurial traits of the enterprise leader. However some points could be drawn out.

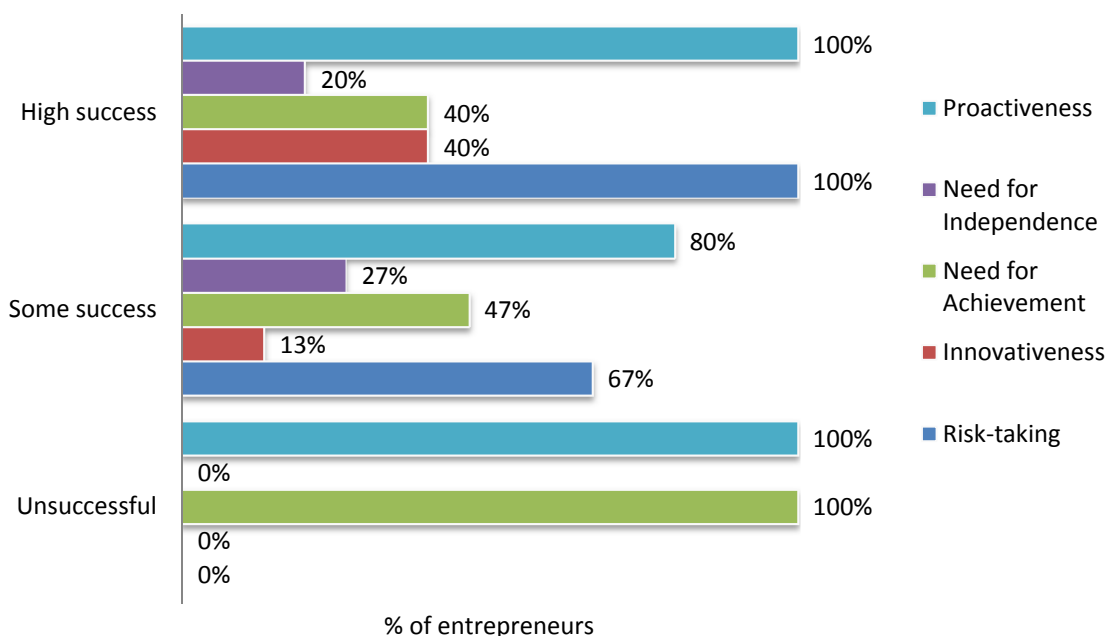
Firstly, as Figure 128 shows, three out of the five highly successful entrepreneurs (60%) had three or more of the five traits. In contrast, the majority of the enterprises with 'some success' (67%) and the leader of the only water enterprise classified as unsuccessful had two entrepreneurial traits or less.

**Figure 128: Relationship between the number of entrepreneurial traits and level of success of the water enterprise**



Secondly, leaders of highly successful water enterprises and those with some success strongly demonstrated proactiveness and risk-taking propensity (see Figure 129). The only unsuccessful enterprise instead demonstrated traits of proactiveness and need for achievement. It should be noted that the unsuccessful enterprise experienced a set of challenges that were not experienced, or were experienced to a much lower degree, by the majority of the other enterprises classified as successful. It may be the case that the presence of these factors, rather than the absence of entrepreneurial traits, was the prime reason for the failure of this business. This is further explained in section 4.4.8.

**Figure 129. Relationship between entrepreneurial traits and level of success of water provider enterprises**

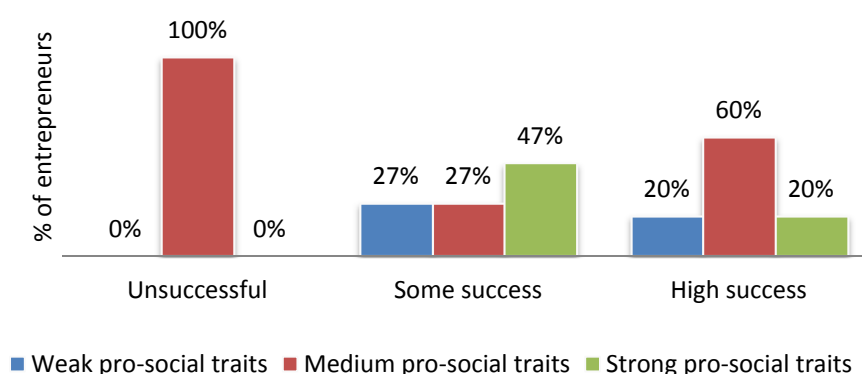


#### 4.4.7 Relationship between success and pro-social traits

In this section we analyse the relationship between the presence of pro-social traits amongst respondents and the level of success of the enterprises they lead.

The As Figure 130 shows, findings didn't reveal a clear pattern between the pro-social traits of the water enterprise leaders and the enterprises' level of success, as medium to strong pro-social traits were present across different levels of success in significant proportions (50% or more).

**Figure 130. Relationship between pro-social traits and level of success of water provider entrepreneurs**



#### 4.4.8 Relationship between success and contextual elements

In this section we explore the challenges and success factors within the contextual business environment in which water enterprises operated and how these relate to different levels of success. Six broad categories were used to classify these contextual challenges and success factors: finance, marketing, operations, human resources, government and regulation, and cultural perceptions.

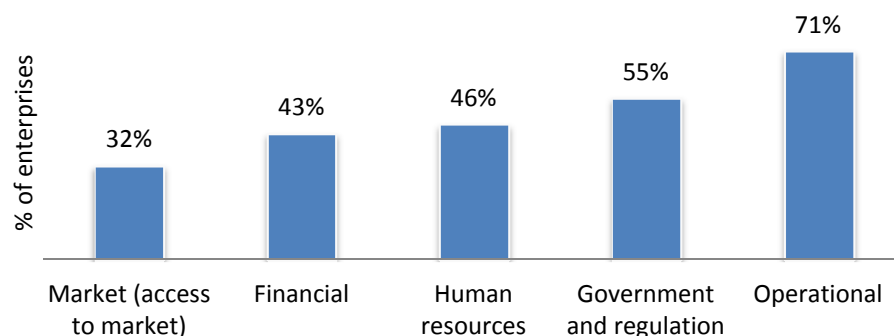
It is important to note that the majority of the challenges reported by the only unsuccessful enterprise were not experienced (or were experienced to a much lower degree) by the majority of the rest of the enterprises. It is worth clarifying what those challenges were here:

- Not having enough technical knowledge and skills
- Official taxes
- Unfavourable location
- Not enough access to banking services
- High interest rates for bank
- Unable to meet bank requirements for bank loans
- Not enough alternative sources of finance other than bank, e.g. through social networks
- Lack of access to continuing training opportunities and/or mentoring

##### *Contextual challenges*

As shown in Figure 131, of the reported challenges, the ones that were mentioned by the highest percentage of respondents (71%) fall under the category of operational challenges. This was followed by government and regulation challenges (55%), human resources challenges (46%), financial challenges (43%) and market challenges (32%).

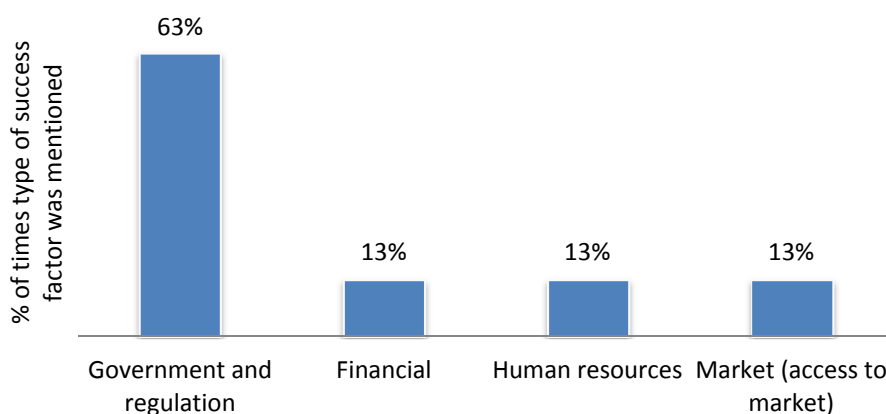
**Figure 131. Categories of reported contextual elements**



***Contextual success factors***

As mentioned in section 4.4.3, 19% of the responses to an open-ended question concerning what mattered the most in helping the respondent’s water enterprise to succeed, most related to external factors. These ranged across the categories of government and regulation, financial, human resources and market aspects. As Figure 132 shows, the majority of the reported contextual success factors (63%) related to government and regulation aspects. The remaining reported contextual success factors were equally distributed across the other categories.

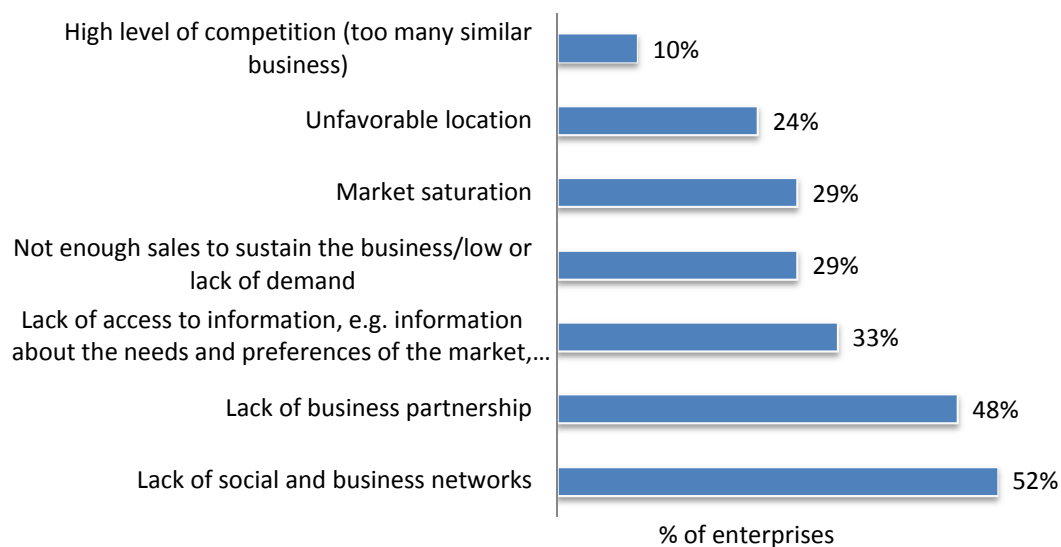
**Figure 132: Categories of reported success factors by the water enterprise leaders**



***Market-related challenges and success factors***

As mentioned previously and shown in Figure 131, market-related challenges were reported by a small proportion of respondents (32%). Lack of social and business networks and lack of business partnerships were the most commonly reported amongst the market-related challenges (Figure 133).

**Figure 133: Reported market-related challenges**



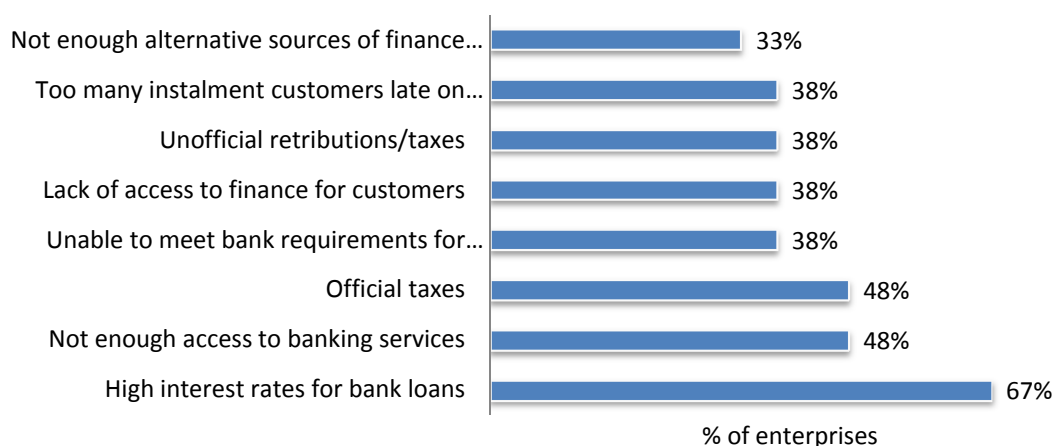
Although lack of demand was not one of the most commonly reported market-related challenges, it was emphasised in responses to an open-ended question concerning the biggest challenges (representing 8% of the responses). One respondent linked low demand to communities’ perceptions that water is for free and said that previous social programs had contributed to this: *“because of the social oriented activity, so people still think it should be free”*.

Further, the level of demand was also emphasised in responses to an open-ended question concerning success factors, although it represented small percentage of the responses (13%) (Figure 132).

**Financial challenges and success factors**

As previously shown (Figure 131), financial challenges were reported by 43% of the respondents. Amongst these, the most commonly reported were high interest rates for bank loans (67%), not enough access to banking services (48%), and official taxes (48%) (Figure 134).

**Figure 134: Reported financial challenges**



Similarly, lack of access to capital to expand was also emphasised in responses to an open-ended question concerning the biggest challenges (representing 8% of the responses). Another financial challenge reported in response to this question was lack of payment from customers

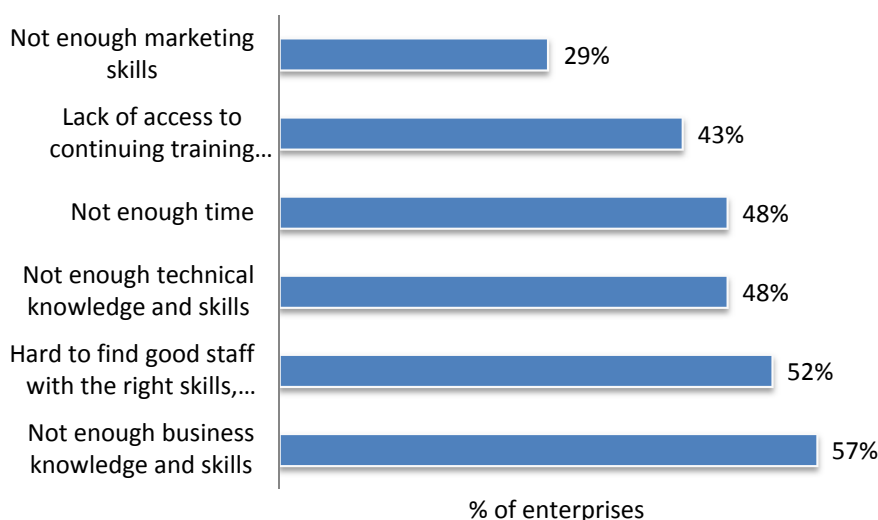
(representing 4% of the responses), which was closely linked to some of the challenges presented in Figure 134, such as late payments from customers paying in instalments, and lack of access to finance for customers.

Concerning success factors, responses to the open-ended question ‘What matters the most in helping your business to succeed?’ included payment from customers, although it represented a small percentage of the responses (13%).

***Human resources challenges and success factors***

As previously mentioned (Figure 131), human resource challenges were reported by 46% of the respondents. Of these, the most commonly reported were lack of business knowledge and skills (57%), and difficulties in finding staff with the right skills (52%) (Figure 135).

**Figure 135: Reported human resource challenges**



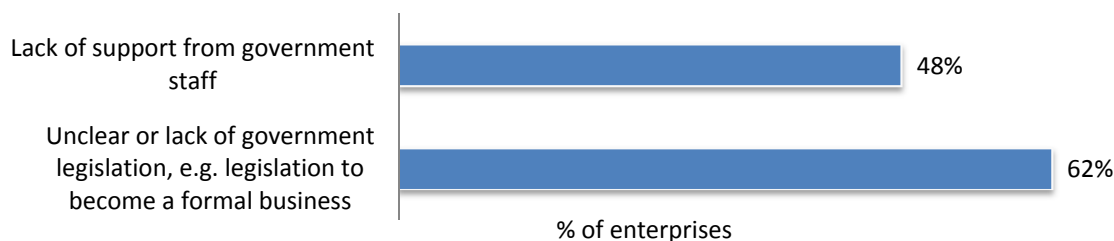
No human resource challenges were mentioned in responses to an open-ended question concerning the biggest challenges.

In contrast, access to training was noted in responses to an open-ended question concerning success factors, although it represented small percentage of the responses (13%).

***Government and legal challenges and success factors***

As previously discussed (Figure 131), government and legal challenges were reported by more than half of the respondents (55%). As Figure 136 shows, these included lack of clarity of government legislation (62%) and lack of support from government staff (48%).

**Figure 136: Reported government and regulation challenges**



Lack of clarity of government legislation was also emphasised in responses to an open-ended question concerning the biggest challenges (representing 4% of the responses), although a larger proportion of the responses (19%) related to lack of government support in general.

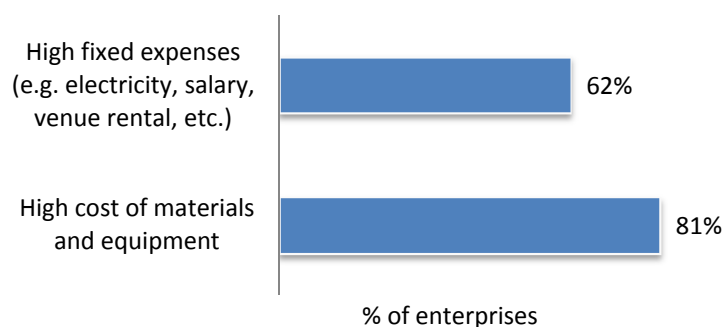
Concerning lack of support from government, one respondent noted: *“Village government ruins the management, taking over the organisation but they are not doing the mandates. HIPPAM [water provider organisation] funds are [used] for [personal] reasons for village administrators”*.

Support from government also featured in responses to an open-ended question concerning success factors, and represented a relatively large proportion of the responses (50%). For example one respondent noted that *“electrical bills subsidised by government”* had contributed to the success of the enterprise while another one noted how important it is that *“the voice of associations is heard when moving forward to government”* when advocating for support.

**Operational challenges and success factors**

Of the reported contextual challenges, operational challenges were the ones reported by the largest percentage of respondents (71%), as previously mentioned (Figure 131). As Figure 137 shows, these operational challenges included high cost of materials and equipment (81%), and high fixed expenses (62%).

**Figure 137: Reported operational challenges**



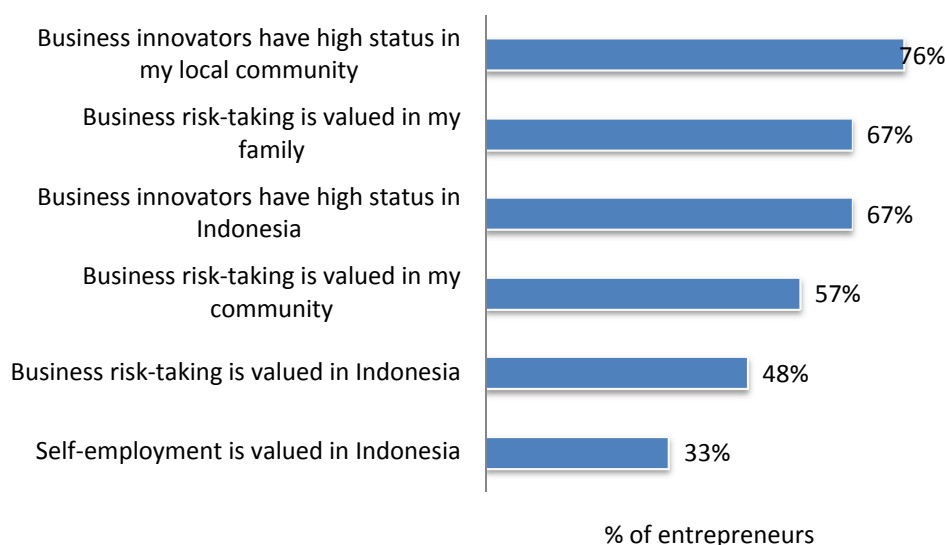
Operational challenges were also highlighted in responses to an open-ended question concerning the biggest challenges (each representing 8% of the responses). Other challenges also emphasised in responses to this question included high cost of electricity (19% of the responses), and access to limited water resources (15% of the responses). For instance, one respondent noted some of the operational costs of his enterprise: *“High calcium levels make the water bung up the pipe ... water meters do not operate because they are too old, this makes the calculation inaccurate. Improper water meters need to be replaced, HIPPAM doesn’t have enough funds to replace all water meters simultaneously”*. Another respondent added: *“The biggest problem is when there is obstruction in underground pipes. Fixing this problem involves high operational cost, observation, soil digging, and pipe cutting. And in involves paying more to technicians. Electricity costs are so high too”*.

In contrast, responses to an open-ended question concerning success factors didn't include operational aspects.

**Cultural influence**

As shown in Figure 138, the majority of the respondents perceived business innovation to be valued within Indonesia's society (67%) and within their communities (76%). The majority of the respondents also perceived business risk-taking to be valued within their communities (57%) and within their families (67%). In contrast, less than half perceived business risk-taking (48%) and self-employment (33%) to be valued in Indonesia as a whole.

**Figure 138. Cultural values on entrepreneurship perceived by water enterprise leaders**



**4.4.9 Relationship between success and gender**

As discussed in section 2.2.1, all water enterprise leaders were male. Therefore it was not possible to draw relationships between success and gender. This section is focused on the respondents' perceptions of contextual gender differences that can influence success.

*Perceptions of contextual gender differences that can influence success*

Contextual gender differences can affect how easily women become entrepreneurs and influence success. Open-ended questions concerning how easily women become entrepreneurs in Indonesia and within the respondents' own communities were used to explore this issue.

In response to these questions, half of the respondents answered it was 'easy' for women to become entrepreneurs in Indonesia (Figure 139). Similarly, in response to a similar open-ended question concerning how easily women can become entrepreneurs in their communities, just over half of the respondents (52%) considered it was 'difficult' (Figure 140).



**Figure 139: Proportion of respondents who considered that it was easy for women to become entrepreneurs in Indonesia**



**Figure 140: Proportion of respondents who considered that it was easy for women to become entrepreneurs in a water enterprise in a paid capacity**



A variety of reasons were given for why it was easy or difficult for women to become entrepreneurs. These provide relevant contextual insight into what can influence the success of female entrepreneurs compared to male entrepreneurs.

#### *Reasons presented for why it's easy for women to become entrepreneurs*

Amongst the reasons presented to why it's easy for women to become entrepreneurs in Indonesia or within the entrepreneurs' communities, the most common reasons given (78%) were based on the perception that gender equity issues have reduced greatly over time and that the growing number of female entrepreneurs is an indication of that. For example one respondent noted: "gender bias has been faded away. Indonesia has a lot of business women". Another respondent who expressed a similar view noted: "a long time ago, women were considered unable to work. Now everything is different".

A smaller proportion of the responses (22%) were associated with the belief that women are as capable as men and have the same rights to participate in different areas of society as men: "women and men have the same rights and skills".

### *Reasons presented for why it's difficult for women to become entrepreneurs*

Amongst the reasons given for why it's difficult for women to become entrepreneurs, the most dominant were based on the belief that women are less capable than men (32%) and that women lack willingness to be involved in business activities (32%).

Qualities perceived to be weaker in women than in men included the level of education and courage: *"Women have a low education level and are less brave"*. One respondent believed that women were *'less capable than men'* and another one noted: *"Women are doubted to be successful, [they are] difficult to rely on, and being the people who help others ... women are difficult to work with, women prefer to manage the family"*.

Perceptions that women lack a willingness to be involved in business activities were well captured by one respondent: *"A lot of women do not want to be involved in entrepreneurship. They are not ready yet ... a lot of women do not want to get involved in business [in my community], as well as in Indonesia"*.

A similar view was noted by another respondent who said: *"Women in the village do not want to get involved in entrepreneurship. So many of them are now working in the town ... many women do not want to become involved at the village level or district level. Therefore, there is no involvement of women in organisation"*.

One respondent also said that the *"majority of women want to be house wives"* while another one added that *'most women do not want to do business because they are afraid of the image. Society still thinks that women should be at home and not pursuing careers'*.

A general perception that gender is still an issue was also present and underpinned 18% of the responses: *"for doing entrepreneurship, opportunities for women are small"*.

A smaller proportion of responses (14%) was based on the perception that engagement in water enterprises involves higher risk for women than for men and therefore they tend to be limited to administrative positions: *"If women are not in administration work, it is risky for them to go out at night and handle technical problems"*.

Lastly, a small proportion of the responses (5%) also revealed a perception that a woman's role is to take care of domestic activities: *"[in the] Javanese tradition women are in the kitchen for domestic matters"*.

## 4.5 SUMMARY

All five types of entrepreneurial traits were found amongst the water enterprise leaders and the most dominant were proactiveness, risk taking behaviour, and need for achievement. More successful entrepreneurs demonstrated a higher number of traits than unsuccessful entrepreneurs, and a higher presence of proactiveness and risk-taking behaviour traits was found amongst successful than unsuccessful entrepreneurs.

The findings revealed a strong sense of social responsibility amongst the water enterprise leaders, although we found no clear connection between success and the presence of pro-social traits. Most entrepreneurs, both successful and unsuccessful, demonstrated medium to strong pro-social traits.

Nevertheless, a different range of situations was found to be driving pro-social behaviour. In some cases this behaviour was intrinsically motivated by religious beliefs and a desire to be *"rewarded by religiously"* or self-satisfaction in helping the poor: *"[I get a] good feeling from serving the society"*. In other cases however, it appeared to be motivated somewhat extrinsically by the entrepreneur's past employment or current side job if this aligned with the objectives of the

water enterprise. Such was the case for two entrepreneurs who worked at the village office, which has a role in addressing community needs and promoting healthy communities.

A broader range of motivations and benefits from engaging in the water enterprise business beyond pro-social goals and financial gains was revealed. These included extended social networks, new skills, knowledge and experience, increased recognition and status, and a desire to access clean and affordable water.

Concerning success levels, the majority of the enterprises (95%) were considered successful, with 24% as highly successful. Only one enterprise was considered to be unsuccessful. In most cases (86%) the enterprise profits had either remained stable after three years of operation or increased, and only a minority (5%) didn't grow and declined right after establishment. Most enterprises (90%) earned a monthly revenue lower than IDR 40 million (USD 3,067), and of the 20 respondents who reported on the business annual average accumulated assets, the majority (60%), reported an annual average below IDR 100 million (USD 7,667).

Respondent's perceptions of what characterises a successful water enterprise leader emphasised personality traits such as flexibility and tolerance, honesty, innovativeness and creativity, smartness, and persistence and patience. Skills were also emphasised, although to a lesser degree. These included business management, financial management and technical skills.

No connection was observed between success and the location of the enterprise, as 20 out of the 21 enterprises were located in rural areas. Due to the fact that there was only one unsuccessful enterprise in the study, no strong relationships could be seen between success and characteristics of the enterprise and its leaders. It is interesting to note however, that all of the leaders of the highly successful enterprises had either completed high school or a bachelor's degree whereas the leader of the unsuccessful enterprise had only completed junior high school. Further, larger proportions of higher levels of education were found amongst leaders of highly successful enterprises than those that achieved some success. Some points could also be drawn out concerning whether the enterprise had engaged in product and/or service development, and its initial investment. A higher proportion of highly successful enterprises conducted product and service development (40%) than those with some success (13%) and the one unsuccessful enterprise who did not conduct any product or service development. Further, although 29% of the respondents didn't report on the business initial investments, including the only unsuccessful enterprise, the highest initial investment was reported by a highly successful enterprise.

Of the contextual factors that can affect success, the findings emphasised operational aspects as the most challenging, including high cost of materials and high fixed expenses. This was followed by government and regulations, human resources, financial aspects, and access to market challenges. Amongst these, the most commonly reported included: unclear government legislation or lack of legislation (government and regulations); lack of business skills and knowledge and difficulty in finding staff with the right skills (human resources challenges); high interest rates for bank loans, lack of alternative sources of finance in addition to banks, and official taxes (financial challenges); lack of social and business networks and lack of business partnerships (market challenges).

Reported contextual success factors also emphasised support from government- and regulations-related aspects as the most important types of success factors. Amongst these, the most commonly reported included government support in general.

The findings also revealed the respondents' perceptions of cultural values around self-employment, business innovators and risk-taking behaviour. More than half of the entrepreneurs perceived business innovators to be valued within their communities and

Indonesia as a whole, and business risk-taking behaviour valued within their communities and families. In contrast, less than half of the respondents perceived business risk-taking and self-employment to be valued in Indonesia as a whole.

Concerning perceptions of gender differences, the findings revealed that half of the respondents perceived that it was easy for women to become entrepreneurs in Indonesia and within the respondents' local communities, and half perceived the opposite. Reasons presented for these views provide insights into what can influence the success of female entrepreneurs compared to male entrepreneurs. Of the reasons presented to why it's easy for women to become entrepreneurs in Indonesia or within the entrepreneurs' communities, the most common was the perception that gender equity issues have reduced greatly over time and that the growing number of female entrepreneurs reflects this change: "*gender bias has been faded away. Indonesia has a lot of business women*". Another reason presented was associated with the belief that women are as capable as men and have the same rights to participate in different areas of society as men: "*women and men have the same rights and skills*".

Amongst the reasons given for why it's difficult for women to become entrepreneurs, the most dominant were based on the belief that women are less capable than men and that women lack willingness to be involved in business activities: "*women are unlikely to succeed, [they are] difficult to rely on, and being the people who help others ... women are difficult to work with, women prefer to manage the family*". Other reasons were associated with perceptions that gender inequality is still an issue, that engagement in water enterprises involves higher risk for women than men and therefore they tend to be limited to administrative positions, and that women's role is to take care of domestic activities.

## 5 SLUDGE REMOVAL BUSINESSES

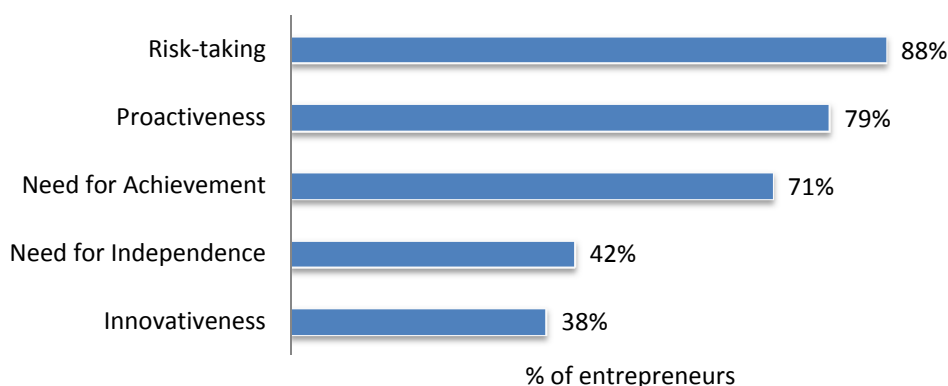
In this section we discuss the presence of entrepreneurial and pro-social traits and motivations amongst the sludge removal entrepreneurs, as well as other types of motivations beyond pro-social motivations. We also analyse the different levels of success achieved across the sample and perceptions of successful entrepreneurs and success factors. Further, we discuss the relationship between success and a number of factors, including the characteristics of the sludge removal enterprises and its owner, the respondents' entrepreneurial traits and pro-social traits, as well as contextual factors and gender.

### 5.1 ENTREPRENEURSHIP AND ENTREPRENEURIAL TRAITS

Five entrepreneurial traits described by Ernst (2012) were considered: adopting a proactive approach, need for independence, need for achievement, innovativeness, and risk taking. To test for the presence of these traits a set of quantitative questions and a set of qualitative questions were used.

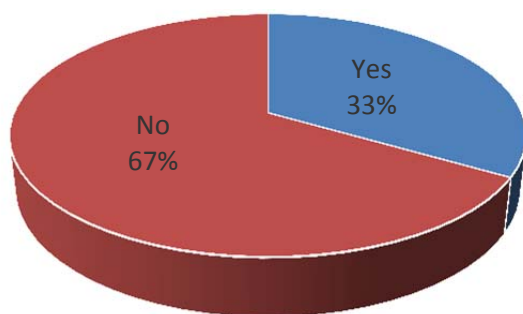
As Figure 141 shows, the most dominant traits found among sludge removal entrepreneurs were risk taking (88%), adopting a proactive approach (79%), and need of achievement (71%).

**Figure 141. Five entrepreneurial traits of sludge removal entrepreneurs**



Innovativeness was the trait least present amongst the entrepreneurs. One of the questions used to test for the presence of this trait concerned the development of new products or services. As Figure 142 shows, most of the entrepreneurs (63%) reported that they did not develop new products or services for their customers. Approximately a third of the respondents (33%) claimed that they had undertaken new product or service development. Examples included the use of de-sludging vacuum machines, providing additional services such as construction of water and latrine drainage systems, and the use of Bio-2000 anti-clogging liquid.

**Figure 142. New product/service development by sludge removal enterprises**



## 5.2 PRO-SOCIAL TRAITS AND MOTIVATIONS

The term pro-social is used to explain the tendency of a person to voluntarily behave (or intend to behave) in a way that benefits others. Pro-social behaviour is usually carried out to promote wellbeing in society (Brief & Motowidlo, 1996). Ernst (2012) identifies two core traits that characterise a pro-social personality: sense of social responsibility and empathy with the poor. The presence of these pro-social traits was assessed through seven questions that examined the entrepreneurs’ drivers and motivations for starting their businesses, their business goals and future business prospects, perceived benefits from engaging in this type of business, whether they perceived the business as providing a social service, and their orientation towards serving the poor. Respondents that revealed any of these traits in 0 to 2 questions were considered to have zero or weak pro-social traits. Respondents that revealed these in 3 to 4 questions were considered to have medium pro-social traits, and respondents that revealed 5 and above were considered to have strong pro-social traits (see Table 6).

It is expected that respondents with strong pro-social traits have a stronger focus on promoting social wellbeing than profit and vice-versa.

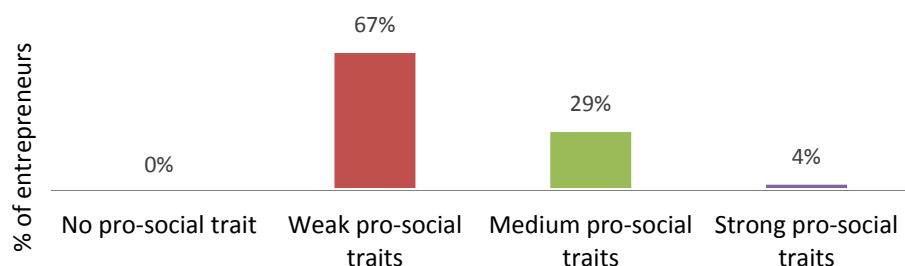
**Table 6: Pro-social categories**

Category	Score
No pro-social traits	0
Weak pro-social traits	1-2
Medium pro-social traits	3-4
Strong pro-social traits	5+

As

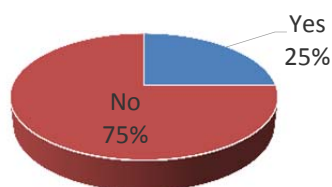
Figure 143 shows, although all of the entrepreneurs demonstrated some level of pro-social traits, most were considered as having weak pro-social traits (67%) and medium pro-social traits (29%), and only 4% were considered as having strong pro-social traits.

**Figure 143. Degree of pro-social traits among sludge removal entrepreneurs**

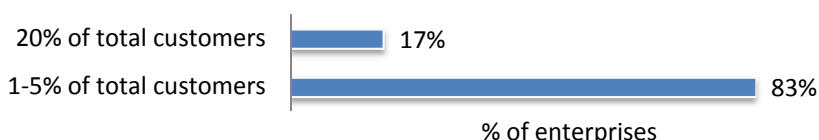


The majority of the entrepreneurs (92%) claimed that they provided services to the poor. However only 25% said that they offered instalment payments to their customers (Figure 144), and amongst of these, the majority (83%) stated that only small proportion of their customers (1-5%) paid in instalments (Figure 145).

**Figure 144. Payment in instalments of sludge removal entrepreneurs**



**Figure 145. Proportion of customers that paid in instalments**



A common reason (76% of responses) underpinning an orientation to serve the poor and offering instalment payments was a sense of empathy and compassion with the poor. For example one entrepreneur explained that he believed that *“businesses should not only bring benefit, but also serve the poor”* and another one explained his sense of empathy with the poor: *“I can have a great relationship with the poor. Feels like a family, sometimes I can count on my friend or neighbour and we help each other with financial problems”*.

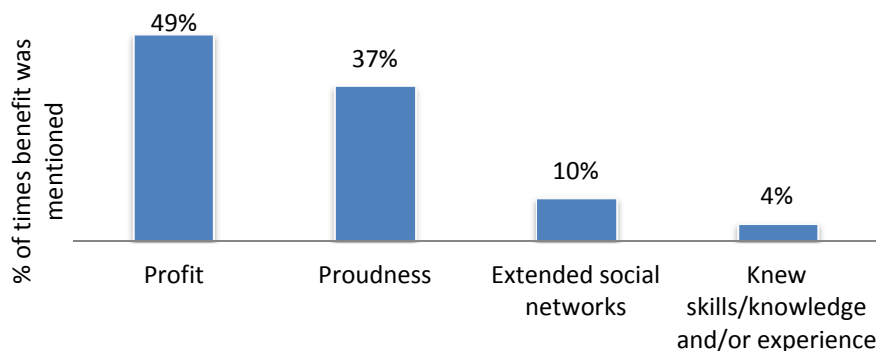
Other reasons were also presented. One entrepreneur mentioned a sense of satisfaction in helping the poor: *“It does not have to be a material advantage but can also be in the form of satisfaction of being able to help others, Good deeds”*. Another respondent presented reasons linked to religious beliefs: *“It works not only for profit but also to help others and expecting reward from God”*.

### 5.3 OTHER MOTIVATIONS

In addition to pro-social motivations, the findings revealed a broader range of benefits beyond profit that can act as motivations and incentives for entrepreneurs to engage in this type of business. These included extended social networks, which represented the highest proportion (37%) of benefits mentioned, followed by knowledge and experience (10%), and sense of pride (4%) (Figure 146). For example one entrepreneur noted that through his involvement in this

business he had gained “new experiences, new networks and new relationships”, while another one noted his sense of pride: “There is a sense of pride with this work and feel comfortable doing this business”. A sense of pride was also highlighted by another respondent who noted: “I’m proud because consumers are satisfied so we are getting closer to them, helping each other”.

**Figure 146: Reported benefits from engaging in the sludge removal business**



## 5.4 SUCCESS

### 5.4.1 Levels of success achieved

In this section, we describe the level of success achieved by sludge removal enterprises. The level of success was assessed by examining the profit growth after establishment and over recent years, monthly revenue in the past year, amount of accumulated assets per year (Rp/yr), and clarity of vision about the future of the business.

All of the businesses interviewed were currently in operation. Amongst these, 25% were classified as having achieved high success, 46% as having achieved some success, and 29% as being unsuccessful (Figure 147).

Of the 20 respondents who reported their business financial situation, almost all (95%) claimed they had either increased their profit or remained stable after three years of operation, and only 5% reported a profit decline (Figure 147).

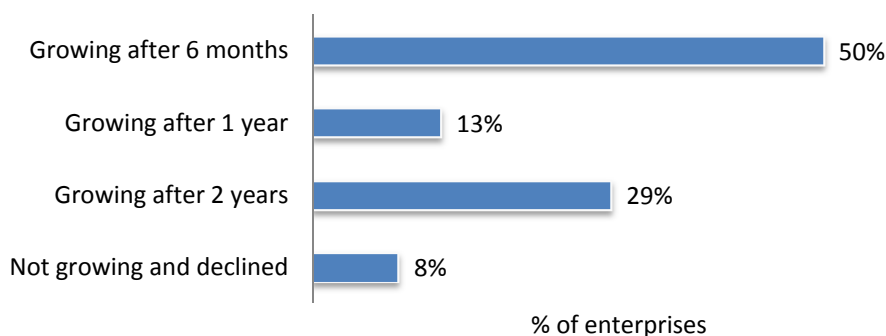
**Figure 147. Levels of success of the sludge removal enterprises**



Concerning profit after establishment, of the 24 respondents, half reported that the business had grown after six months, 42% reported it had grown after 1 or 2 years, and only 8% reported that it had not grown and had declined (Figure 148).

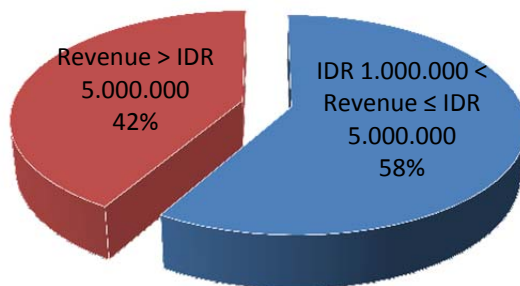


**Figure 148. Growing profit after establishment of the sludge removal enterprises**



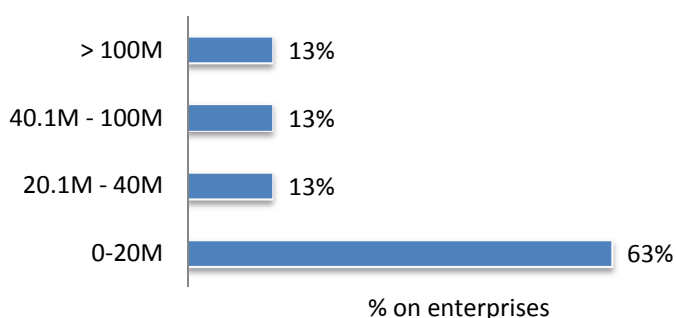
Further, 52% reported they earned a monthly revenue of between IDR 1 million (USD 75) and IDR 5 million (USD 376), and 42% reported a monthly revenue above IDR 5 million (USD 376) (Figure 149).

**Figure 149. Monthly revenue of the sludge removal enterprises**



In addition to this, the majority of the entrepreneurs (63%) reported an annual average of accumulated assets of IDR 20 million (USD 1,506) or below. A smaller percentage (26%) reported this to be above IDR 40 million (USD 3,012) (Figure 150), all of which were successful entrepreneurs.

**Figure 150. Annual average accumulated assets (IDR) of the sludge removal enterprises**



### 5.4.2 Perceptions of characteristics of successful entrepreneurs

Based on an open-ended question as to what characterises a successful sanitation entrepreneur, respondents' perceptions included personality traits (60%), skills (32%), and other types of characteristics (8%) (see Table 7).

**Table 7: Perceived characteristics of a successful entrepreneur by the sludge removal entrepreneurs\***

Personality traits	Skills	Other characteristics
<ul style="list-style-type: none"> <li>• Acute</li> <li>• Committed</li> <li>• Curious/willingness to learn</li> <li>• <b>Diligent</b></li> <li>• Disciplined</li> <li>• Enthusiastic/passionate/self-motivated</li> <li>• Flexible/tolerant</li> <li>• <b>Hard-working</b></li> <li>• Have faith/religious</li> <li>• <b>Honest</b></li> <li>• Innovative</li> <li>• Problem-solver</li> <li>• Professional</li> <li>• Punctual</li> <li>• Resilient</li> <li>• Risk-taker</li> <li>• Sense of social responsibility</li> <li>• Sociable/friendly</li> <li>• <b>Tenacious/persistent/patient</b></li> </ul>	<ul style="list-style-type: none"> <li>• Business management</li> <li>• Communication</li> <li>• <b>Customer service</b></li> <li>• Financial management</li> <li>• Human resource management</li> <li>• <b>Marketing</b></li> <li>• Negotiation</li> <li>• <b>Technical</b></li> <li>• Time management</li> </ul>	<ul style="list-style-type: none"> <li>• <b>General experience</b></li> <li>• <b>Physically strong</b></li> <li>• Access to capital</li> </ul>

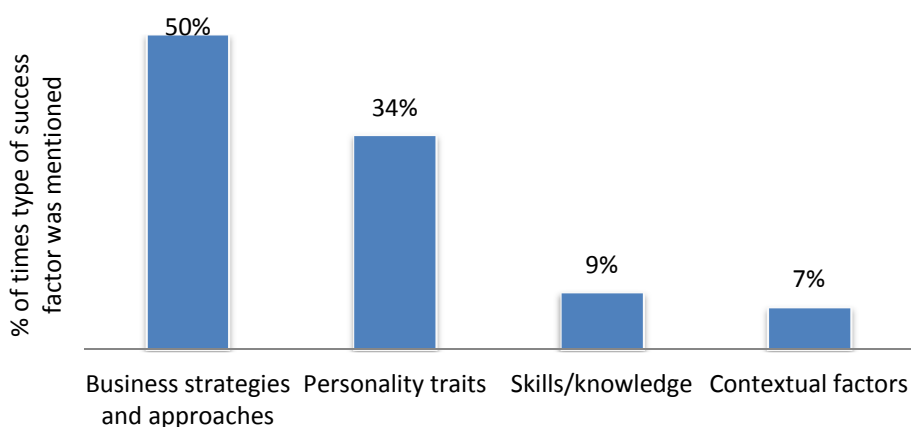
\* bolded represent most commonly reported characteristics

Of the personality traits, the most commonly reported were honesty (33%), diligence (29%), tenacity/persistence (29%), and hard-working (25%). Of the skills, the most commonly reported were technical skills (50%), marketing skills (17%), and customer service/care (17%). Under other characteristics, the most commonly reported included general experience (13%) and physical strength (13%).

### 5.4.3 Perceptions of success factors

In response to an open-ended question as to what mattered the most in helping the respondent's business to succeed, the reported success factors included business strategies and approaches (50%), personality traits (34%), skills and knowledge (9%), and contextual factors (7%) (Figure 151).

**Figure 151: Categories of reported success factors by the sludge removal entrepreneurs**



In the following sections we discuss the success factors that fall under some of these categories in more detail. Perceptions of success factors that fall under the category of external contextual factors are discussed in section 5.4.8.

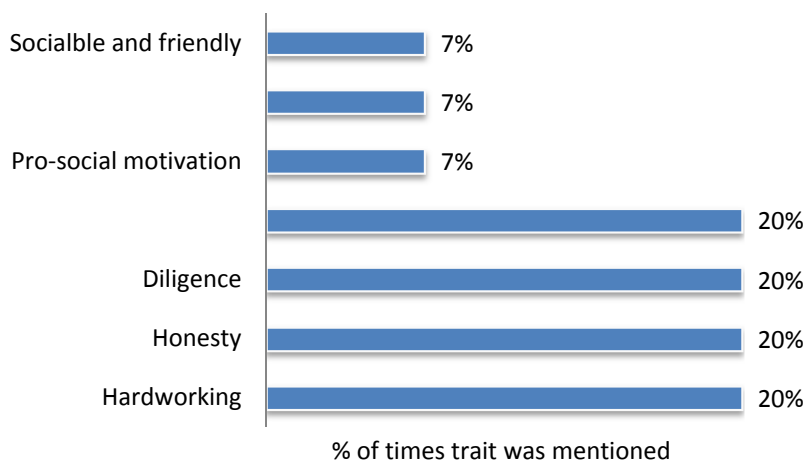
***Business strategies and approaches perceived success factors***

Amongst the business strategies and approaches reported as success factors, the most common ones were a focus on quality of service and customer care (36%) and proactive marketing (32%). Other aspects also considered as important for success by smaller proportions of respondents included: a trustful relationship with employees (14%), offering warranty services to customers (9%), price structure based on volume rather than time (5%), and timeliness (5%).

***Personality traits as perceived success factors***

Amongst the personality traits reported as success factors, the most common ones were hard working (20%), honesty (20%), diligence (20%), and tenacity and perseverance (20%) (Figure 152).

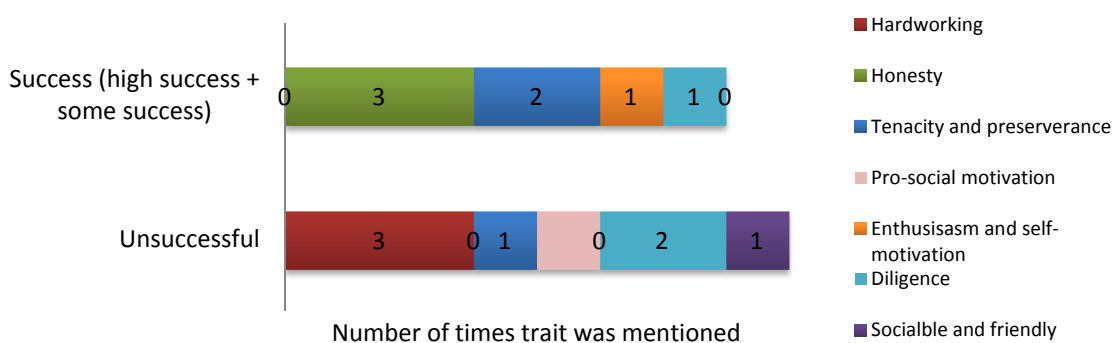
**Figure 152: Personality traits reported as factors helping the enterprise to succeed by sludge removal entrepreneurs**



Amongst the personality traits reported as factors helping enterprises to succeed, there were considerable differences between the ranges of traits reported by successful and unsuccessful entrepreneurs. Only tenacity or perseverance and diligence were considered as important factors by both successful and unsuccessful entrepreneurs. Of the personality traits reported by

successful entrepreneurs, honesty was the one reported by the highest number of respondents. As explained by one successful entrepreneur, honesty is important *“because many of the problems that arise are due to dishonesty in the business, usually because employees cheat or steal”*. In turn, of the personality traits reported by unsuccessful entrepreneurs, ‘hard working’ was the one reported by the highest number of respondents (Figure 153).

**Figure 153: Personality traits reported as success factors by successful and unsuccessful sludge removal entrepreneurs**



**Skills perceived success factors**

Skills were given less emphasis than personality traits, and represented a much smaller percentage (9%) of the reported success factors. These included technical skills (75%) and financial management skills (25%).

**5.4.4 Relationship between success and characteristics of the entrepreneur**

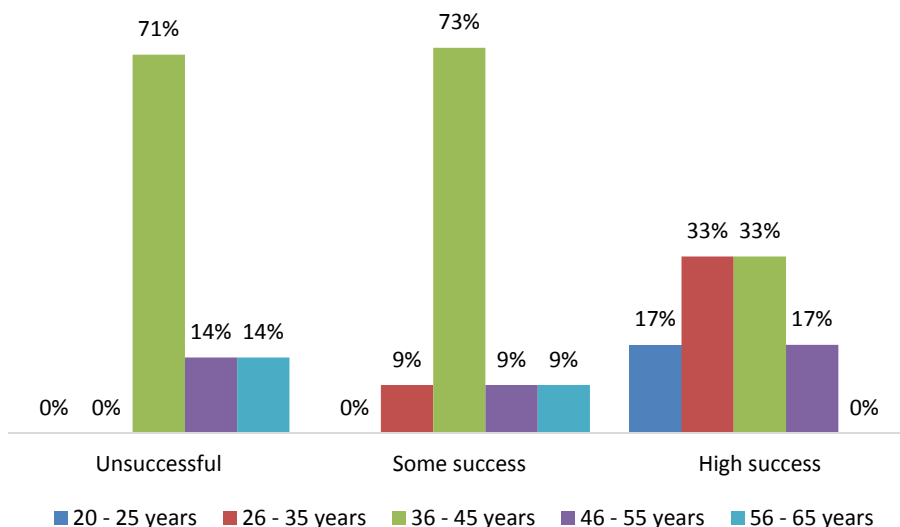
Relationships between success and a number of characteristics of the entrepreneur were found. These included the age of the entrepreneur, whether he had a concurrent job to the sludge removal business as well as previous working experience. However, no clear relationship was found between success and the entrepreneurs’ education, his time commitment to the sludge removal business, and the length and sector of his previous working experience.

The following sections provide more detail on these relationships.

**Age**

As Figure 154 below shows, a higher percentage of entrepreneurs in the 20 to 35 age bracket (50%) was found amongst highly successful entrepreneurs than amongst entrepreneurs that had achieved some success (9%) and unsuccessful entrepreneurs (0%).

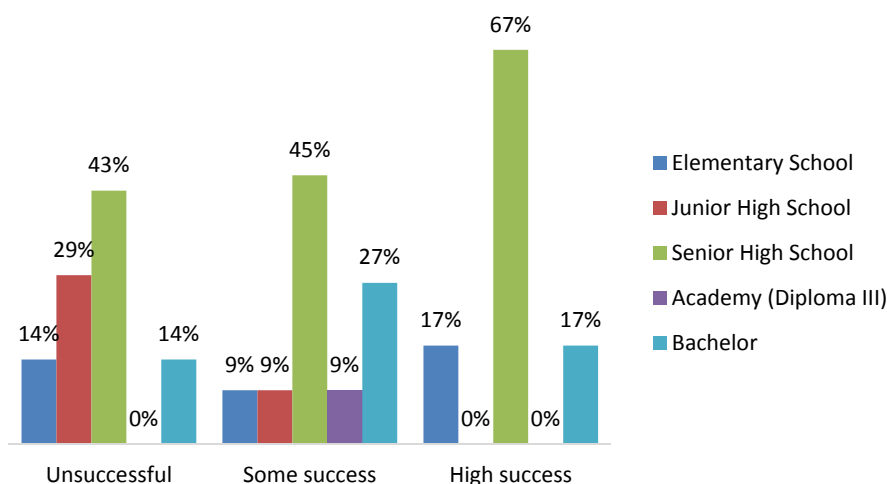
**Figure 154. Relationship between the age of the entrepreneurs and levels of success of the sludge removal enterprises**



**Education**

No clear connection was found between the level of education of the sludge removal entrepreneurs and the level of success of their enterprises. As Figure 155 below shows, entrepreneurs who had completed senior high school comprised the highest proportion of entrepreneurs and were found across different levels of success. Likewise, entrepreneurs who had completed bachelor’s degrees were found in relatively similar proportions across highly success and unsuccessful enterprises.

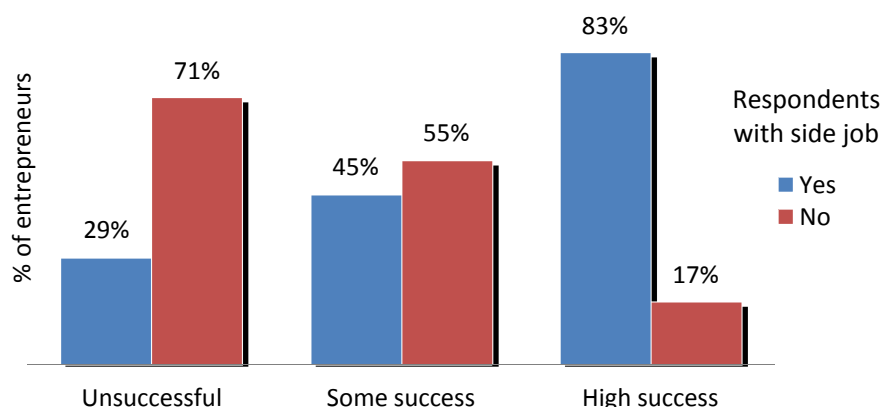
**Figure 155. Education level of the entrepreneurs and levels of success of the sludge removal enterprises**



**Side job and time commitment**

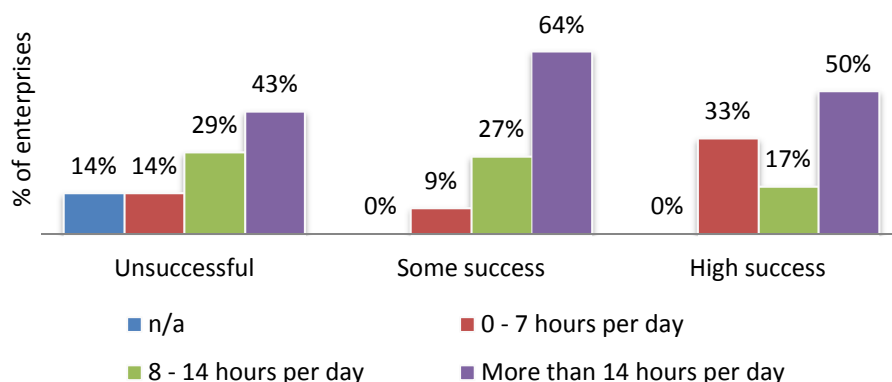
As Figure 156 below shows, the majority of the highly successful entrepreneurs (83%) had a side job compared to 29% amongst unsuccessful enterprises. Likewise, the percentage of entrepreneurs with side jobs found amongst enterprises that had achieved some success (45%) was higher than amongst unsuccessful enterprises (29%). This suggests that the existence of a side job for the entrepreneur can affect the level of success of the sludge removal enterprise positively. A possible explanation for this could be that entrepreneurs who have a side job in addition to the sludge removal business have more work experience and access to networks that are beneficial to their sludge removal business.

**Figure 156. Proportion of sludge removal entrepreneurs with a side job across different levels of enterprise success**



A large majority of the sludge removal entrepreneurs spent more than 14 hours per day on their business (Figure 157). However, there is no clear connection between the time spent on the business and the level of business success.

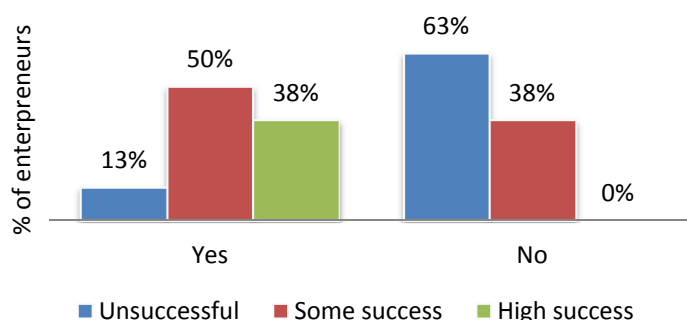
**Figure 157. Time spent in the business by the entrepreneur across different levels of success of the sludge removal enterprises**



**Previous working experience**

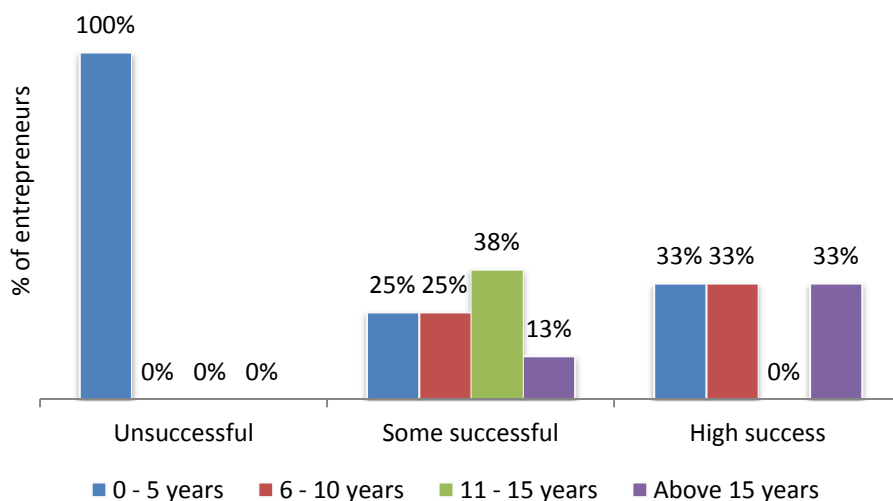
The findings revealed a higher percentage of successful enterprises amongst the entrepreneurs who had previous work experience (88%) than amongst entrepreneurs who didn't have previous work experience (38%). Likewise, a higher percentage of unsuccessful enterprises (63%) was found amongst entrepreneurs who didn't have previous work experience than amongst entrepreneurs who had previous work experience (13%) (Figure 158). This indicates that the previous work experience of the entrepreneur contributed positively to the success of the business.

**Figure 158. Previous work experience of the entrepreneurs across different levels of success of the sludge removal enterprises**



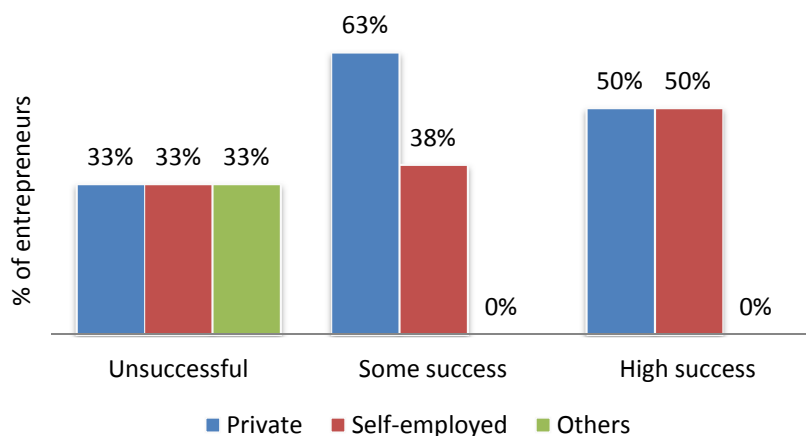
Concerning the length of work experience, out of the 16 respondents who had previous work experience, 15 reported on the number of the years of their working experience. As the majority of the unsuccessful entrepreneurs (six out of seven) didn't report on the length of their previous work experience, it was not possible to draw any conclusions about a possible relation between this and success. As Figure 159 below shows, the only unsuccessful entrepreneur who reported on the length of work experience had five years of experience or less. In contrast, the majority of the highly successful entrepreneurs and entrepreneurs who had achieved some success had more than five years of work experience (66% and 74% respectively).

**Figure 159. Length of work experience of the entrepreneurs across different levels of success of the sludge removal enterprises**



Concerning the relationship between the sector of the entrepreneur's previous work experience and the level of success of the sludge removal enterprise, Figure 160 below shows that no clear pattern was found.

**Figure 160. Relationship between the sectors of the entrepreneur’s previous work experience and the level of success of their sludge removal enterprise**



### 5.4.5 Relationship between success and enterprise characteristics

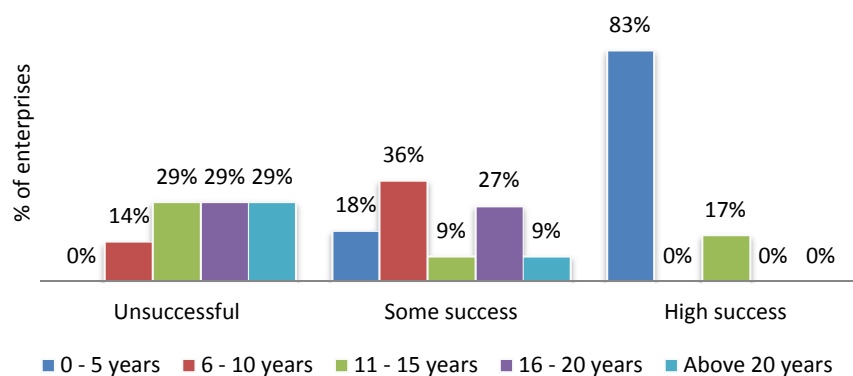
Relationships between success and a number of enterprise characteristics were found. These included the years of operation of the enterprise, its initial investment, and whether it was a member of a sanitation related association. However, no relationship was found between success and the location of the enterprise, its size and staff composition, whether it had engaged in product and/or service development and whether family members of the enterprise owner were involved in the business.

The following sections explain these relationships in more detail.

#### *Years of operation, location and size*

As shown in Figure 161 below, there is a relationship between the number of years of the enterprise and its level of success. As Figure 159 shows, a significantly higher proportion of enterprises with five years of operation or less was found amongst highly successful enterprises than amongst enterprises with lower levels of success.

**Figure 161. Relationship between the years of operation and level of success of the sludge removal enterprises**



No relationship was found between success and the location of the enterprises. As Figure 162 shows similar proportions of successful (high success and some success) and unsuccessful enterprises were found across enterprises located in sub-urban and urban areas. However it is interesting to note that the only one enterprise located in a rural area was a highly successful



enterprise (Figure 162). This finding is surprising and counter-intuitive, since one would expect greater economies of scale for businesses operating in more dense environments. Further research would be needed to explain this finding.

**Figure 162. Relationship between the location and levels of success of the of sludge removal enterprises**

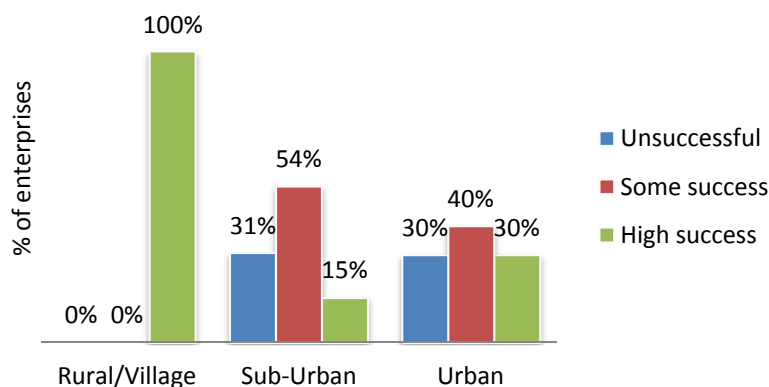
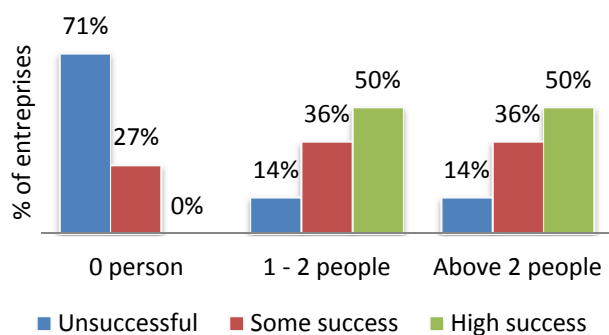
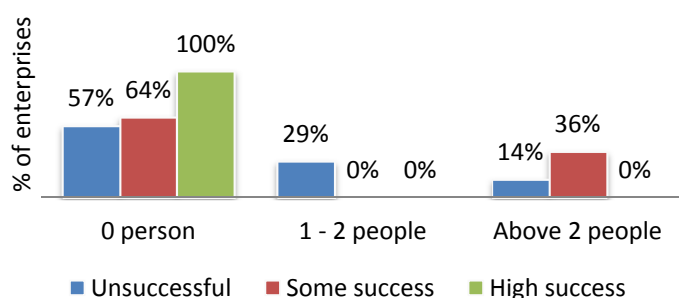


Figure 163 and Figure 164 show the number of full-time and part-time employees. The findings indicate that there was little connection between size and level of success in the context of sludge removal enterprises, other than that unsuccessful enterprises tended to comprise just the owner and have no employees. It is also interesting to note that the successful enterprises did not have any part-time employees but did have full-time employees.

**Figure 163. Relationship between the numbers of full-time employees at present and levels of success of the sludge removal enterprises**



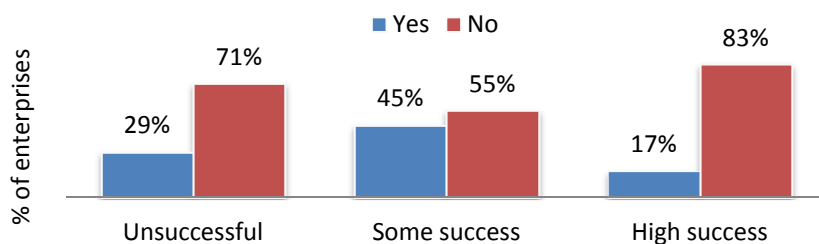
**Figure 164. Relationship between the numbers of part-time employees at present and levels of success of the sludge removal enterprises**



**Product and service development**

As Figure 165 shows, a relationship between success and whether the enterprise had engaged in product and/or service development was not evident. Amongst all levels of success, more than half of the enterprises (55% to 83%) had not engaged in this type of activity. This finding may indicate that the entrepreneurs prefer to focus on marketing existing products and/or services rather than on investing on improving these or developing new ones.

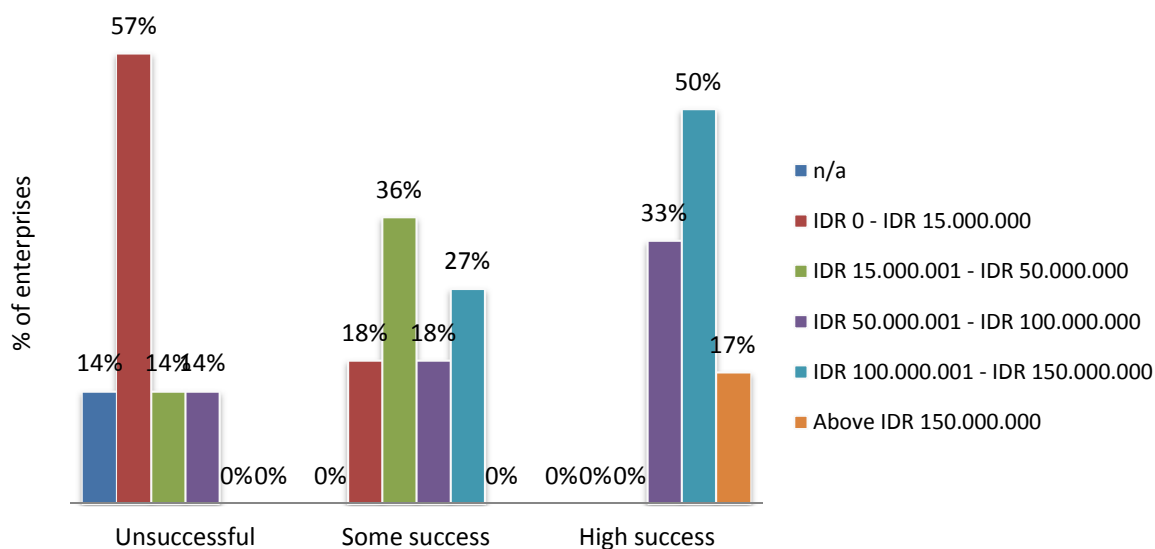
**Figure 165. Relationship between product or service development and levels of success of the sludge removal enterprises**



**Initial investment**

The amount of initial investment among sludge removal enterprises varied widely. As depicted in Figure 166 the number of enterprises that had invested the higher amounts within this range (above IDR 100 million (USD 7,667)) was higher amongst highly successful enterprises than less successful ones.

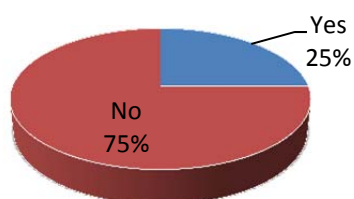
**Figure 166. Relationship between initial investment and levels of success of the sludge removal enterprises**



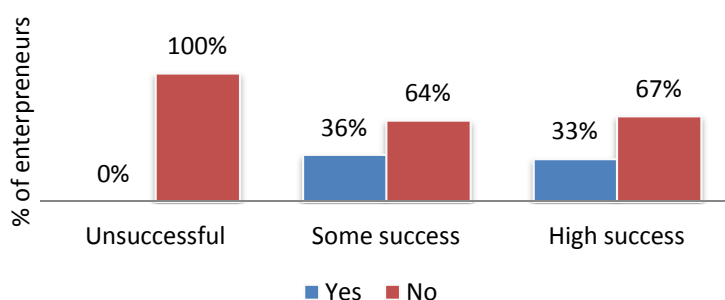
**Association membership**

Only 25% of the respondents were members of an association (Figure 167). Of these, all had achieved some level of success, either ‘high success’ or ‘some success’ (Figure 168) and reported membership in an association as a positive experience.

**Figure 167. Proportion of sludge removal enterprises who are members of a business sector related association**



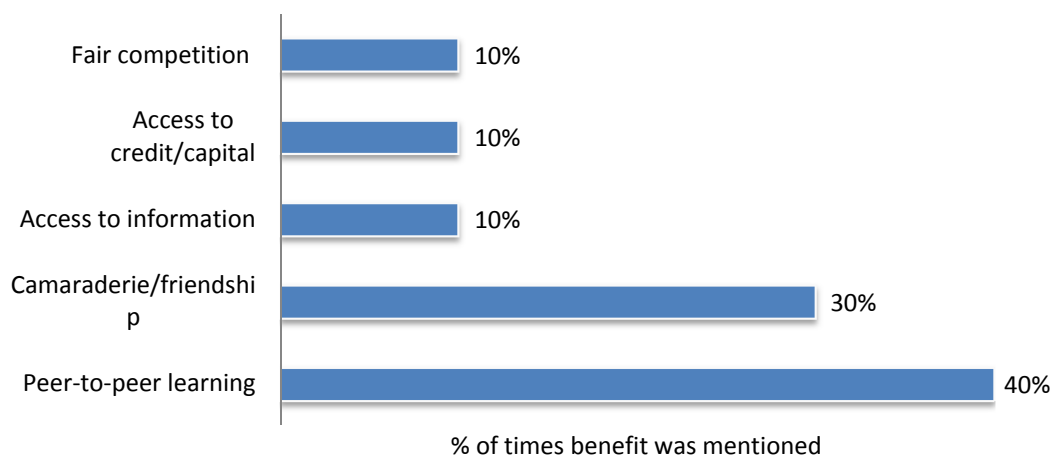
**Figure 168. Relationship between business sector association membership and levels of success of the sludge removal enterprises**



Of the reported benefits, the most common were peer-to-peer learning (40%) and camaraderie/friendship (30%) (Figure 169). These benefits were emphasised by one entrepreneur who noted that through the association “*friendships are established*” and people “*help each other*”. Another one also added how the association made “*experience exchange much easier*” for its members, while others also noted the “*increased experience and knowledge*” and “*increased motivation*” they had gained from being part of an association.

Other reported benefits included access to information (10%), access to credit/capital (10%), and fairer competition (10%) (Figure 169).

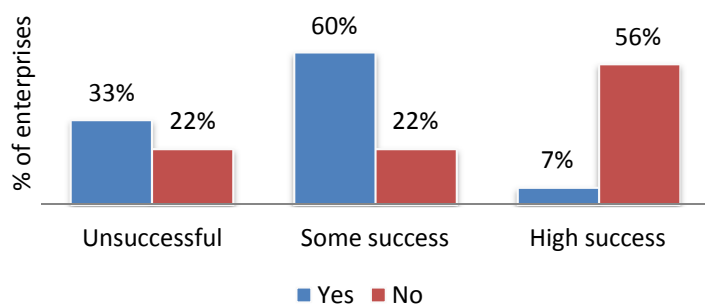
**Figure 169: Reported benefits from membership in a business sector related association by sludge removal enterprises**



*Involvement of family members in the business*

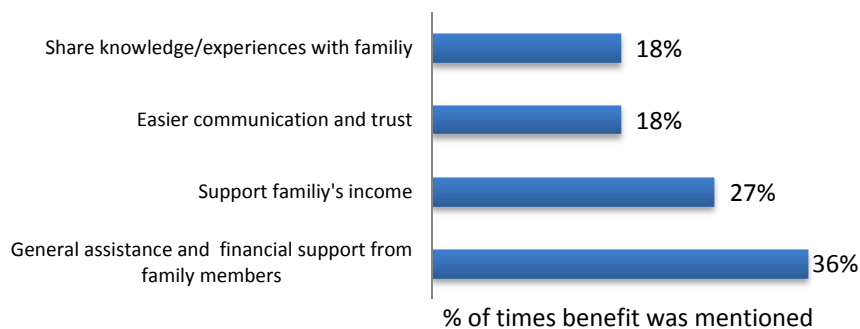
As previously mentioned in section 2.3.2, involvement of family members in the operation and/or management of the business was observed in 63% of the businesses interviewed. No clear connection between business success and family involvement in the business was evident however (Figure 170).

**Figure 170. Relationship between the family involvement in the business and levels of success of the sludge removal enterprises**



Nevertheless, amongst the entrepreneurs who reported the involvement of family members in their business, 53% reported it as a positive experience. Reported benefits and advantages included easier access to general assistance and financial support from family members, the ability to support the family’s economic situation, easier communication and trust, and the ability to share experience and knowledge with the family (Figure 171).

**Figure 171: Reported benefits and advantages of family involvement in the operation or management of the business, by sludge removal entrepreneurs**

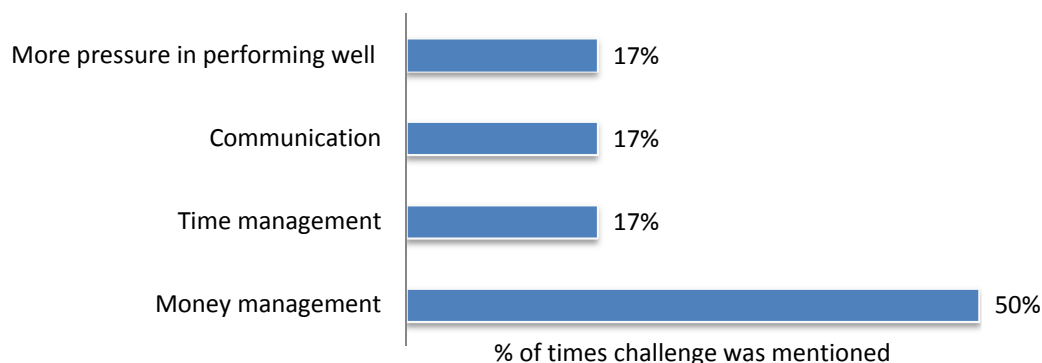


A smaller proportion of the respondents (13%) reported both positive and negative aspects. For example, one interviewee noted that whilst “it helps the family economy”, sometimes it may also “break family relationships when something bad happens with the work”. Another one added that although there was a benefit if the assets belonged to the family, a result of that was greater pressure to perform well and avoid mistakes: “If we make mistakes we immediately get warned and scolded”.

Further, communication was reported both as a benefit and a challenge. For example, whilst one respondent noted that there was a “higher level of trust” involved and that it was “easier to communicate”, another noted that communication was more difficult.

Other reported challenges included money management and time management (Figure 172).

**Figure 172: Reported challenges of family involvement in the operation or management of the business, by sludge removal enterprises**

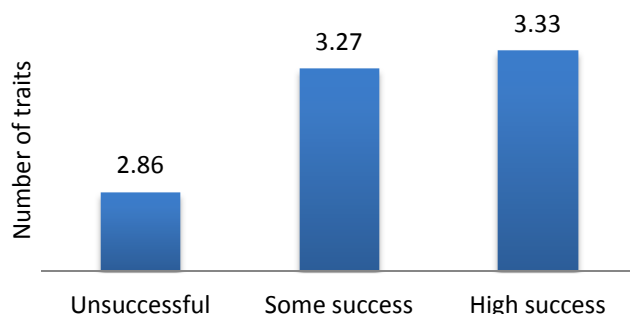


### 5.4.6 Relationship between success and entrepreneurial traits

Entrepreneurial ability is to the ability of an entrepreneur or a firm to run a business successfully and according to Ernst (2012) it is characterised by five core personality traits: proactiveness, need for independence, need for achievement, innovativeness, and risk-taking.

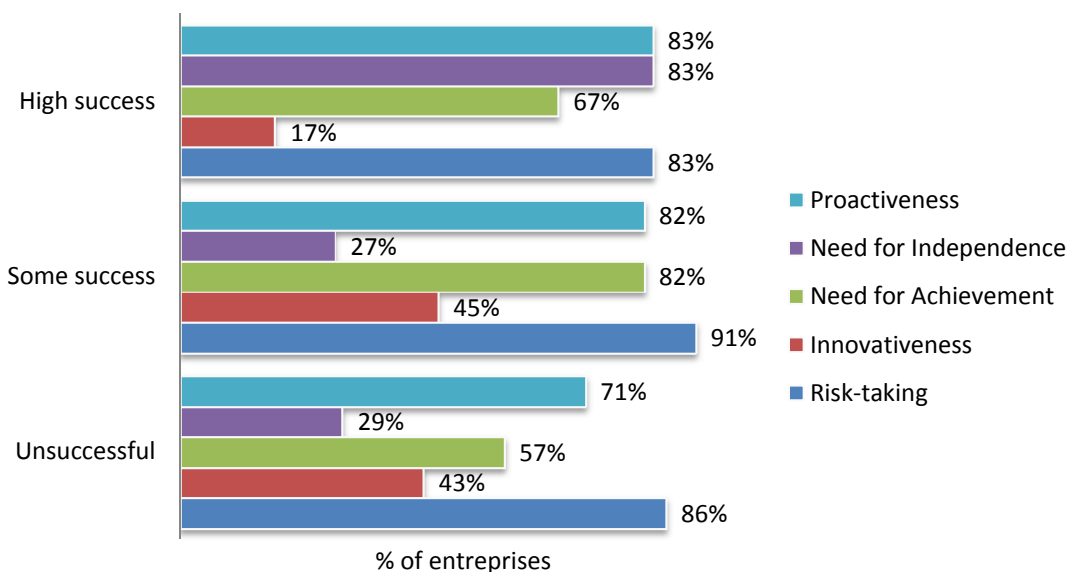
This study found that in general the leaders of the successful sludge removal enterprises had more entrepreneurial traits than the ones who led unsuccessful enterprises (Figure 173).

**Figure 173. Number of entrepreneurial traits and levels of success of the sludge removal enterprises**



However, amongst the entrepreneurial traits in question, only differing percentages for the need for independence trait clearly differentiated between the high success enterprises and the less successful ones. As many as 83% of the high success entrepreneurs demonstrated this trait, while the proportion is notably lower among the less successful ones (27% in the ‘some success’ category and 29% in the unsuccessful category). Surprisingly, the innovativeness trait did not explain the level of success, as this trait was lowest in the highly successful enterprises (17%) compared to some success and unsuccessful enterprises (45% and 43% respectively). Equally, adopting a proactive or risk-taking approach did not contribute to success, as these traits were relatively prevalent (71% and 86% respectively) in unsuccessful enterprises (Figure 174).

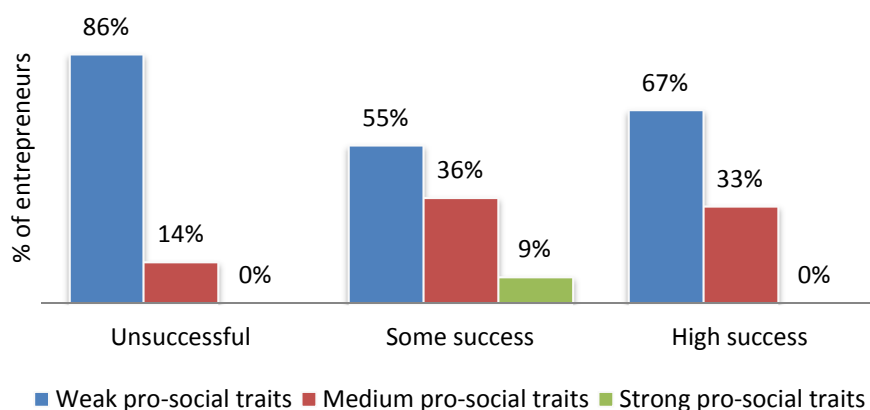
**Figure 174. Relationship between the presence of entrepreneurial traits and levels of success of the sludge removal enterprises**



### 5.4.7 Relationship between success and pro-social traits

Weak pro-social traits were present amongst both successful entrepreneurs and unsuccessful entrepreneurs in significant proportions (more than 50%). However, as Figure 175 shows, only entrepreneurs classified as having achieved some success demonstrated strong pro-social traits, although these were in a small percentage (9%).

**Figure 175. Relationship between pro-social traits of the entrepreneurs and levels of success of the sludge removal enterprises**



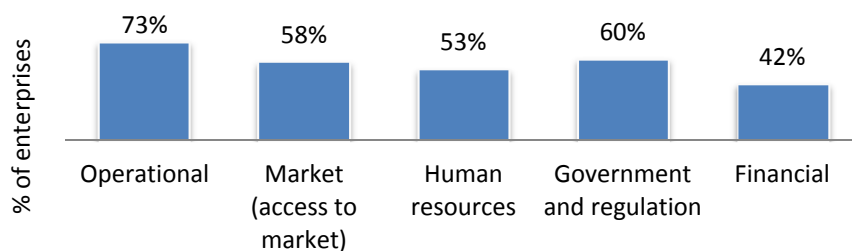
### 5.4.8 Relationship between success and contextual elements

In this section we explore the challenges and success factors within the business environment in which sanitation entrepreneurs operate and how these relate to different levels of success. Six broad categories were used to classify these contextual challenges and success factors: finance, marketing, operations, human resources, government and regulation, and cultural perceptions.

### Contextual challenges

Slightly different responses were provided in closed and open-ended questions in terms of the most important challenges faced by businesses. In responses to closed questions, the highest proportion of contextual challenges faced by the sludge removal businesses appeared to be operational, followed by government and regulation, access to market, human resources, and financial challenges (Figure 176). By contrast, responses to an open-ended question about challenges emphasised government and regulation, and market (access to market). These challenges were cited far more frequently than other types of challenges.

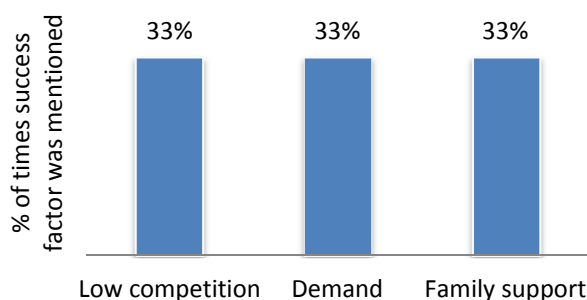
**Figure 176. Types of contextual challenges reported by sludge removal entrepreneurs**



### Contextual success factors

Concerning success factors, as mentioned in section 5.4.2, contextual elements represented only a small percentage (7%) of the responses to an open-ended question concerning ‘what mattered the most in helping your business to succeed’. As Figure 177 shows, these included mostly market-related challenges such as low competition and demand, and family support, each representing an equal proportion (33%) of the total number of reported success factors.

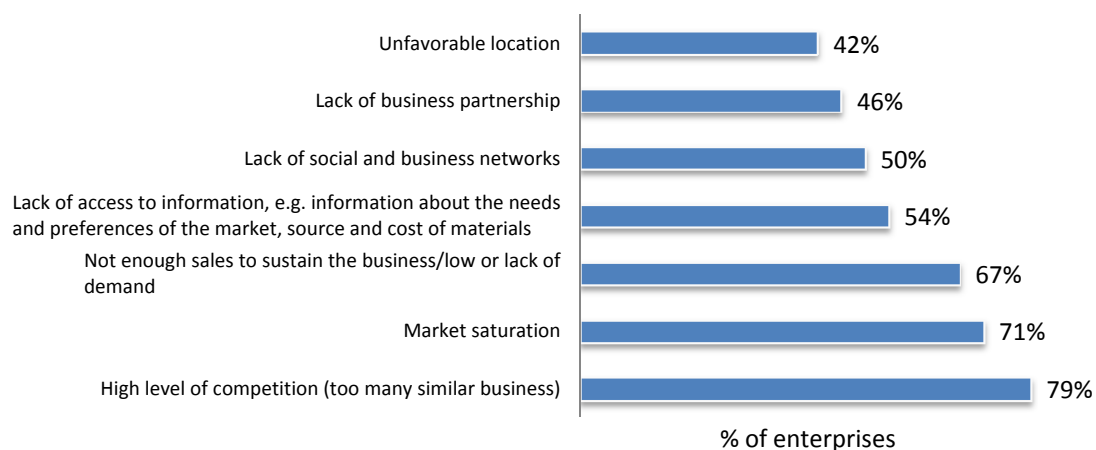
**Figure 177: Success factors reported by sludge removal entrepreneurs**



### Market-related challenges and success factors

As mentioned previously and shown in Figure 176, market-related challenges were reported by 58% of the respondents. Figure 178 illustrates the range of reported challenges under this category. As it shows, high level of competition, market saturation and low demand were the most commonly reported.

**Figure 178: Market-related challenges**



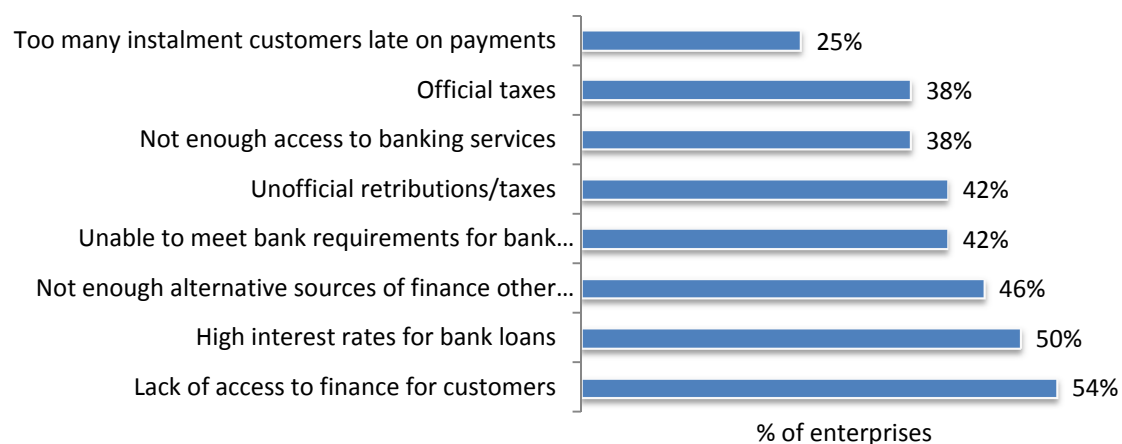
Competition was also emphasised in responses to an open-ended question concerning the biggest challenges, representing 19% of the responses. Other market-related challenges reported in response to the same question included lack of access to information (8%), low demand (4%), and demand seasonality (4%). As one respondent explained “demand is typically influenced by the weather and there is more demand during the rainy season”.

In contrast, low competition was highlighted as a success factor, although it only represented 2% of the responses to an open-ended question concerning ‘what mattered the most in helping your business to succeed’.

***Financial challenges and success factors***

As mentioned previously and shown in Figure 176, financial challenges were reported by 42% of the respondents. Figure 179 shows the range of reported challenges under this category. The most commonly reported were lack of access to finance for customers, high interest rates for bank loans, and not enough alternative sources of finance.

**Figure 179: Financial challenges**



Lack of access to finance in general was also emphasised in responses to an open-ended question concerning the biggest challenges, although it represented only a small proportion (8%) of the responses.

As evident in Figure 177, no financial aspects were mentioned as success factors.

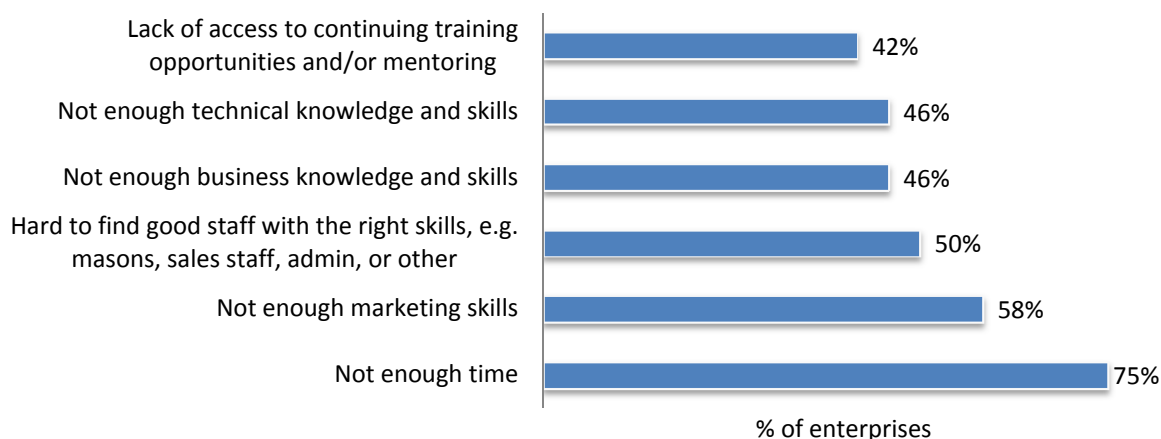


**Human resources challenges and success factors**

As mentioned previously and shown in Figure 176, human resource challenges were reported by 53% of the respondents.

Figure 180 shows the range of reported challenges under this category. As it shows, the most commonly reported challenge was lack of time, followed by a range of challenges related to availability of skills and access to capacity development opportunities.

**Figure 180: Human resource challenges**



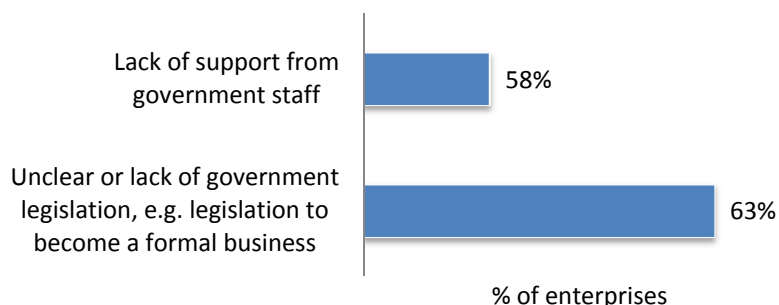
Difficulty in finding staff with the right skills and personalities was also emphasised in responses to an open-ended question concerning the biggest challenges, although it represented only a small proportion (4%) of the responses. This was highlighted by one respondent who noted: *“It’s difficult to find honest employees”*.

As evident in Figure 177, no human resource aspects were mentioned as success factors.

**Government and legal challenges and success factors**

As mentioned previously and shown in Figure 176, government and legal challenges were reported by 60% of the respondents. Figure 181 shows the range of reported challenges under this category. The most commonly reported was unclear government legislation or lack of government legislation, followed by lack of support from government.

**Figure 181: Government and legal challenges**



These challenges were also highlighted in responses to an open-ended question concerning the biggest challenges, representing 8% and 27% of the responses respectively. The majority of these responses (66%) referred to a *“lack of government attention towards the limited availability of disposal sites”*. As explained by one respondent, because of this entrepreneurs were forced to practise illegal activities and as consequence are subject to levies: *“There is lack of support from the*

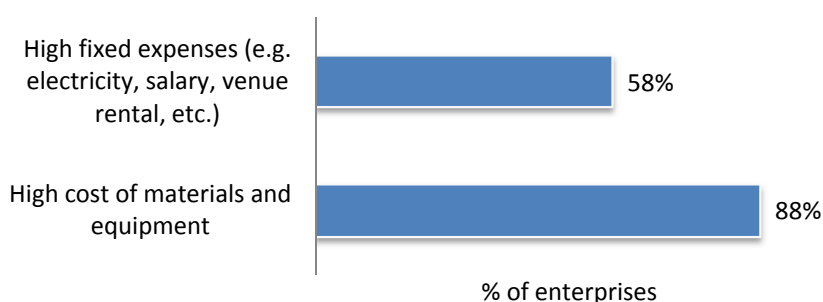
government related to the waste water treatment plant which is only located in Putri Cempo. And if I operate around Klaten, Boyolali, Sukoharjo the distance [to the legal disposal site] is too far. There is a levy if I throw it out in the Bengawan Solo River”.

As evident in Figure 177, no government and regulation aspects were mentioned as success factors.

**Operational challenges and success factors**

As mentioned previously and shown in Figure 176, operational challenges were reported by 73% of the respondents. Figure 182 shows the range of reported challenges under this category. The most commonly reported was high cost of materials and equipment, followed by high fixed expenses.

**Figure 182: Operational challenges**



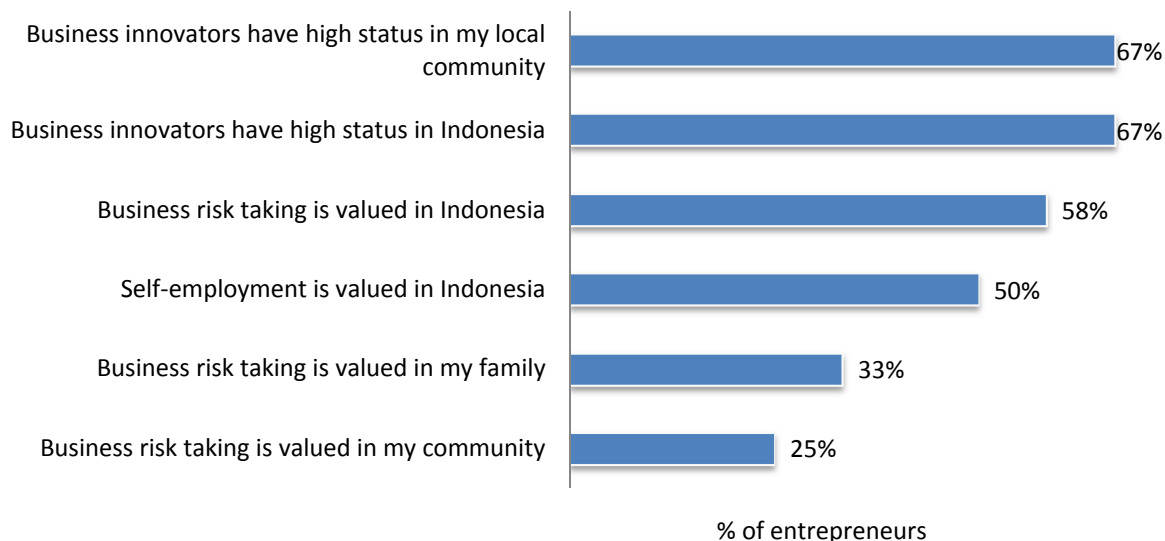
High cost of materials was also highlighted in responses to an open-ended question concerning the biggest challenges, representing 8% of the responses. Other challenges mentioned in response to this question included price fluctuation of raw materials (4%), incorrect diagnosis of problem by customer (4%), and unknown location of septic tank (4%). For example one entrepreneur explained that sometimes “consumers do not need sludge removal service since [the problem] is only clogging”.

As evident in Figure 177, no operational aspects were mentioned as success factors.

**Cultural influences**

Figure 183 shows, only a small proportion of the respondents felt that business risk-taking was valued within their families (33%) or communities (25%). The majority (58%) did believe, however, that business risk-taking was valued in Indonesia. The majority (67%) also perceived that business innovators had high status within their local communities and in Indonesia as a whole. Concerning values around self-employment, half perceived this to be valued within in Indonesia.

**Figure 183. Cultural values on entrepreneurship perceived by the sludge removal entrepreneurs**



### 5.4.9 Relationship between success and gender

As discussed in section 2.3.1, the vast majority of the sludge removal entrepreneurs (96%) were male and this reflects the fact that the sludge removal business is largely male-dominated. Only one female entrepreneur was interviewed, and through the analysis of success her business was classified as unsuccessful. Although she reported that she had earned high monthly revenue in the past year (between 1 million or USD 75 and IDR 5 million or USD 376), considering that her business had been in operation for a large number of years (25 years), the reported total amount of accumulated assets per year (IDR 800,000 or USD 60) is relatively low when compared to successful entrepreneurs, some of whom were able to make more than IDR 100m (USD 7530) per year and had been in operation for considerably fewer years (e.g. 1 year).

#### *Perceptions of gender differences that can influence success*

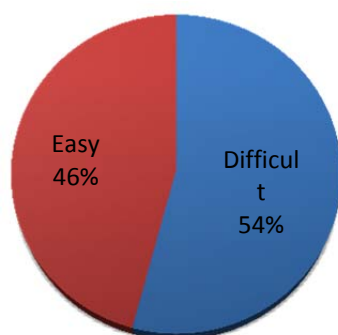
Gender differences can affect how easily women become entrepreneurs and they can influence success. Open-ended questions concerning how easily women can become entrepreneurs in Indonesia and within the respondents’ own communities were used to explore this.

In response to these questions, the majority of the respondents (63%) answered it was ‘easy’ for women to become entrepreneurs in Indonesia (Figure 184). In contrast, in response to a similar open-ended question concerning how easily women could become entrepreneurs in their communities, more than half (54%) of responses considered it was ‘difficult’ (Figure 185).

**Figure 184: Proportion of respondents who considered that it was easy for women to become entrepreneurs in Indonesia**



**Figure 185: Proportion of respondents who considered that it was easy for women to become entrepreneurs in their own communities**



A variety of reasons were given for why it's easy or difficult for women to become entrepreneurs. These provide relevant contextual insight into what can influence the success of female entrepreneurs compared to male entrepreneurs.

#### *Reasons presented for why it's easy for women to become entrepreneurs*

Of the reasons presented to why it was easy for women to become entrepreneurs in Indonesia or within the entrepreneurs' communities, the most common (53%) was based on the belief that women are equally capable as men and are experienced in businesses other than sanitation. For example one respondent explained that there were *"many areas of business done by women"* and another one added that *"women also have the ability to work and set up their own business"*. This belief was also shared by another entrepreneur who noted that *"men and women are just the same as long as they are diligent about the work done"*.

A smaller proportion of the responses (18%) were associated to the belief that women's skills and/or personalities are better suited to business activities than men. Qualities perceived to be stronger in women than in men included interpersonal and problem-solving skills, and an empathic personality. For example one entrepreneur explained that *"women are able to approach people easier"* and another one added that *"women have a broader way of thinking ... have more ideas in solving problems and there must be a great woman behind the great man"*. Another also noted: *"women are more likely to care for co-workers ... women in this business have a sense of empathy towards problems faced by consumers"*.

The perception that gender equity is no longer an issue was also evident in 18% of the responses. For example one entrepreneur noted: *“Because there is already no gap/differences between women and men, the only difference is in the business skills”*.

An opinion that the sludge removal business was easy enough to be carried out by anyone was also evident and represented 12% of the responses: *“This business is not difficult, [enterprises just need to] maintain confidence”*.

### ***Reasons presented for why it’s difficult for women to become entrepreneurs***

Amongst the reasons given for why it’s difficult for women to become entrepreneurs, the most dominant (45%) was based on the belief that women's natural qualities and abilities aren't suited to business activities in general or to certain kinds of business, such as sludge removal. Qualities perceived to be weaker in women than in men included the ability to access capital and natural entrepreneurial talent. For example one entrepreneur noted: *“To become an entrepreneur women still need talent and capital to run the business. In my community the average woman does not have the capital and talent to become an entrepreneur”*. The limited ability of women to access capital was also noted: *“if there is capital then it would be easier for a woman to be entrepreneur ... in my community, only a small amount of capital is available for women, so not many woman become entrepreneurs and here women mostly work as labourers to help the family finances”*. The perception that women are physically less able and weaker than men was also evident: *“Women appear to be physically weaker”*. One respondent commented on how this was a limitation for women’s involvement in the sludge removal business: *“This kind of work needs physical power and energy, so it is better for men to do this”*. Another respondent also highlighted this: *“Physically women are not able to do such hard work ... it would be better if women worked on the jobs that fitted her well and sludge removal is not for women”*. One entrepreneur also commented that women’s limited ability to commute limited their chances of becoming entrepreneurs: *“Women are more limited in their movement than man, especially if they are old. For example, women who cannot ride a motorcycle, will have to wait for someone to take her everywhere”*.

A quarter of the responses (25%) were associated with the perception that a woman's role is to take care of domestic activities and because of that, generally they have less time to focus on other activities: *“[women are] less time flexible due to housekeeping duties”*.

The perception that women generally don't want to get involved in businesses and prefer to be housewives was also evident and represented 20% of the responses: *“there are many women who do not want to be involved in the businesses, thus they prefer to work as a housewives”*. For one respondent this lack of willingness appeared to be associated with the physical demands of certain businesses such as sludge removal: *“Women still do not want to get involved, plus it involves more physical work”*. Yet another one associated this to a preference of women to avoid public exposure: *“in [my] neighbourhood, women choose not to present themselves too much to the public”*. This belief was also shared by another entrepreneur who noted: *“Many women do not want to engage in business activities, generally still dominated by men ... there are many women who usually do not want to be visible public”*.

Lastly, a proportion of the responses (10%) also revealed a perception that gender inequality issues that affect women’s ability to engage in business activities are still present in society: *“Cultural factors hinder women’s efforts to become entrepreneurs...in this business the women just receive the calls and make arrangements”*.

## **5.5 SUMMARY**

All five types of entrepreneurial traits were found amongst sludge removal entrepreneurs although some were found to be more important than others. These included risk-taking behaviour, adopting a proactive approach and need for achievement. More successful entrepreneurs demonstrated a higher number of traits than unsuccessful entrepreneurs.

However, amongst the entrepreneurial traits in question, only differing percentages for the need for independence trait clearly differentiated between the high success enterprises and the less successful ones.

The findings revealed a weak sense of social responsibility amongst entrepreneurs. Most entrepreneurs, both successful and unsuccessful, were classified as having weak pro-social traits, although a higher percentage of successful entrepreneurs had stronger social traits than unsuccessful entrepreneurs. The small proportion of enterprises that offered instalment payments supports this finding. Amongst entrepreneurs that demonstrated pro-social traits, a sense of empathy and compassion with the poor and satisfaction in helping the poor, as well as religious beliefs, were found to be present.

The findings also revealed a broader range of motivations and benefits from engaging in the sanitation business beyond pro-social goals. These included extended social networks, increased knowledge and experience, and sense of pride.

The majority of the sludge removal enterprises (71%) were considered to be successful, and 25% were highly successful. The majority (95%) were still in operation and their profits had either remained stable after three years of operation or increased, and only a minority (8%) didn't grow or declined right after establishment. More than half of the enterprises (52%) earned a monthly revenue of between IDR1 million (USD 75) and IDR5 million (USD 376), and 42% earned a monthly revenue of IDR5 million (USD 376) or more (52%). Concerning the annual average of accumulated assets, the majority (63%) reported this to be below IDR20 million (USD 1,506).

Respondents' perceptions of what characterises a successful sanitation entrepreneur emphasised personality traits and skills, such as diligence, hard-working, honesty, as well as customer service, marketing, and technical skills.

Relationships between success and a number of characteristics of the entrepreneur were found. These included the age of the entrepreneur, whether he had a concurrent job to the sludge removal business as well as previous working experience. A significantly higher percentage of entrepreneurs in the 20 to 35 age bracket was found amongst highly successful entrepreneurs than amongst entrepreneurs that had achieved some success and unsuccessful entrepreneurs. Likewise, the majority of the highly successful entrepreneurs had a side job compared to a smaller percentage amongst unsuccessful enterprises. Further, the percentage of entrepreneurs with side jobs found amongst enterprises that had achieved some success was higher than amongst unsuccessful enterprises. Previous experience was revealed to be an important factor for success, as amongst the entrepreneurs who had previous experience, there was a higher proportion of successful businesses than unsuccessful businesses.

Relationships between success and a number of characteristics of the enterprise were also found. These included the age of the enterprise, its initial investment, and association membership. A significantly higher proportion of enterprises with five years of operation or less was found amongst highly successful enterprises than amongst enterprises with lower levels of success. Similarly, higher levels of initial investment were also found amongst successful businesses than unsuccessful businesses. Membership of associations was also highlighted as an important factor in success as no unsuccessful entrepreneurs were members of a sector-related association, whereas more than 30% of enterprises with some success and highly successful enterprises had memberships. Common benefits of association membership reported by successful entrepreneurs included peer-to-peer learning and camaraderie.

Of the contextual factors that can affect success, the findings emphasised operational aspects, including high cost of materials and high fixed expenses, as the most challenging. Significant

emphasis was also given to other types of challenges related to access to markets, human resources, government and regulations, and financial aspects. Amongst these, the most commonly reported included: high level of competition and market saturation; lack of access to finance among customers, high interest rates for bank loans, and lack of alternatives to banks as sources of finance; lack of time and marketing skills; unclear government legislation or lack of legislation; and high cost of materials and equipment.

In contrast, reported business success factors emphasised market-related factors as the most important. Amongst these, the most commonly reported included low competition and the existence of demand. An additional success factor equally highlighted was family support.

Family involvement was evident amongst sludge removal entrepreneurs. The majority (62%) involved family members, and amongst these, more than half (53%) reported this as a positive experience. Reported advantages included easier access to assistance and financial support, and easier communication. However, the potential to harm family relationships, as well as pressure to perform well and avoid mistakes was also mentioned by a small proportion of respondents (13%).

Perceptions of cultural values around self-employment, business innovators and risk-taking behaviour were also evident. More than half of the entrepreneurs perceived business innovators and risk-taking behaviour to be valued within Indonesia as a whole, and half of the respondents perceived business innovators to be valued within their local communities. In contrast, less than half of the respondents perceived business risk-taking to be valued within their families and communities. Likewise, less than half of the respondents perceived self-employment to be valued within Indonesia.

Concerning perceptions of contextual gender differences, the findings revealed a predominant perception that it is easy for women to become entrepreneurs in Indonesia and in the respondents' local communities. Reasons presented for this provide insights into what can influence the success of female entrepreneurs compared to male entrepreneurs. Of the reasons given for why it's easy for women to become entrepreneurs in Indonesia or within the entrepreneurs' communities, the most common was based on the belief that women are as capable as men and are experienced in businesses other than sanitation. Other reasons presented were associated with the perception that women's skills and/or personalities are better suited to business activities than men, that gender equity is no longer an issue, and that the sludge removal business was easy enough to be carried out by anyone.

In turn, amongst the reasons given for why it's difficult for women to become entrepreneurs, the most dominant was based on the belief that women's natural qualities and abilities aren't suited to business activities. Other reasons presented were associated to perceptions that a woman's role is to take care of domestic activities, that women generally don't want to get involved in businesses and prefer to be housewives, and that gender inequality issues which limit women's ability to engage in business activities are still present in society.



## 6 CONCLUSION

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This study has revealed the diversity in entrepreneurs and enterprises in Indonesia who are carrying out important roles to support water and sanitation services. The key focus of the study was to examine the motivations of sanitation, water supply and sludge removal enterprises, including social motivations, and to gain a deeper understanding of what factors influence business success or failure.

The study revealed a high sense of social responsibility amongst sanitation entrepreneurs and leaders of water enterprises, but not amongst sludge removal entrepreneurs. The sanitation and water enterprises had practical ways of helping the poor to access services, including allowing them to pay in instalments, whereas sludge removal enterprises did not offer such arrangements.

Key entrepreneurial traits were evident, particularly in successful enterprises of all types. In the case of sanitation entrepreneurs, successful entrepreneurs demonstrated a stronger presence of proactiveness, innovativeness and risk-taking propensity than less successful ones. Leaders of successful water enterprises demonstrated proactiveness and risk-taking propensity, whereas the only unsuccessful enterprise demonstrated traits of proactiveness and need for achievement. In turn, amongst leaders of sludge removal enterprises, need for independence was the trait that clearly differentiated between the high success enterprises and the less successful ones. The presence of this trait was stronger amongst highly successful enterprises than those with lower levels of success.

There were similarities and differences amongst the key challenges faced by different enterprise types. All three types of enterprise reported operational challenges associated with high costs of materials and high fixed expenses, which may reflect the challenge of pricing their services to cover such costs, given the 'social good' nature of these businesses and the need to remain affordable. For sanitation entrepreneurs, the most significant other challenges were lack of consumer demand, lack of market information, lack of access to finance for customers, lack of business skills and training opportunities, and unofficial retributions or taxes. Leaders of water enterprises, cited a different set of challenges, including the effect of unclear government legislation or a lack of legislation; lack of business skills and knowledge and difficulty in finding staff with the right skills; high interest rates for bank loans, lack of alternative sources of finance in addition to banks, and official taxes; and lack of social and business networks and lack of business partnerships. Lastly, for sludge removal companies, the key challenges were the high level of competition, market saturation, lack of access to finance among customers and lack of time and marketing skills. They also reported some challenges in common with water enterprise leaders in relation to high interest rates for bank loans, lack of alternatives to banks as sources of finance and unclear government legislation or lack of legislation.

A range of other factors also influenced enterprise operations and success. It was clear that sanitation enterprises operating in urban or suburban areas had a greater chance of achieving success. Further, sanitation enterprises with higher levels of success tended to be in operation for more than ten years, have a higher number of staff, and be more proactive in product and service development. In contrast, more successful sludge removal enterprises tended to have five years of operation or less. Previous working experience of the entrepreneur and the business initial investment also appeared to be important factors for success. Amongst sanitation entrepreneurs, greater experience in government was evident amongst highly successful entrepreneurs than others. In turn, a higher proportion of successful businesses was found amongst sludge removal entrepreneurs who had previous experience than those who didn't. Further, membership of associations supported business success. Side jobs were common, and could be mutually supporting and reinforcing (in the case of sanitarians and sanitation entrepreneurs, and water enterprise leaders and villages officers) but could also result in



inadequate time spent on the business and a corresponding reduction in success. Women were found to be much less prominent amongst enterprises than men, with highly mixed views presented by different respondents in relation to the appropriate roles of women in such businesses, and their relative aptitude to achieve success if they were involved. Regardless of these perspectives, it was clear that women were significantly under-represented and this points to an area for further investigation and support, given women's prominent roles in water and sanitation generally.

The findings of this study can support improved policy and practice in relation to enterprises which contribute to water and sanitation services. Knowledge of the most important entrepreneurial traits can help organisations to target appropriate candidates when providing training and support. Equally, understanding the strong pro-social motivations of many entrepreneurs opens up a wider range of possible business models and forms of support for enterprises. Knowledge of the key barriers affecting different enterprise types demonstrates where both government and external agencies should direct attention to reduce such barriers and facilitate enterprise roles.

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## APPENDIX 1. SAMPLE

Sector	Province	City/District	Respondent	Total
Sanitation	Central Java	Grobogan	12	56
	East Java	Surabaya	4	
		Lamongan	2	
		Jombang	3	
		Blitar	1	
		Tulung Agung	1	
		Trenggalek	10	
		Malang	4	
		Kediri	1	
		Nganjuk	3	
		Sidoarjo	1	
		Probolinggo	3	
	NTT	Manggarai Timur	11	
TTU				
Water enterprise	West Java	Cianjur	2	21
		Bandung	2	
	East Java	Lamongan	4	
		Tulung Agung	7	
		Blitar	1	
Malang	5			
Sludge removal	West Java	Bandung	3	24
	Central Java	Solo	6	
		Yogyakarta	10	
	East Java	Nganjuk	2	
		Kediri	3	

## APPENDIX 2. DATA COLLECTION TOOL FOR SANITATION ENTREPRENEURS

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### Motivasi dan Hambatan Wirausaha Penyedia Produk/Jasa Sanitasi (*Motivation and Barriers to Entry for Sanitation Entrepreneurs*)

#### Bagian I. Pemilik Usaha (The Owner)

1. Jenis kelamin (*Sex*)  Perempuan (*Female*)  Laki-laki (*Male*)
2. Etnis (*Your ethnic group*) \_\_\_\_\_
3. Tahun lahir (*Year of birth*) \_\_\_\_\_ (mm/yy)
4. Tingkat pendidikan terakhir (*Highest educational level attained*)
  - SD (*Elementary School*)  SMP (*Junior High School*)  SMU/SMK (*Senior High School*)
  - Akademi (*Diploma III*)  S1 (*Bachelor*)  S2 (*Master*)
5. Darimana Anda mendapatkan informasi dan keterampilan untuk mengelola bisnis produk dan jasa sanitasi? (Jawaban boleh lebih dari satu) (*Where did you get information and skills to run sanitation product and service related business?*)
  - Pendidikan Formal (*Formal Education*)
  - Kursus (*Short-course*)
  - Bekerja di bidang yang sama (*Working in related business*)
  - Asosiasi (*Associations*)
  - Otodidak (*Self-learning*)
  - Lainnya (*Others*), \_\_\_\_\_
6. Apakah Anda pernah bekerja sebelum memulai bisnis sanitasi? (*Have you been working before starting this sanitation business?*)
  - Tidak pernah (*Never*) **(Langsung ke No. 7)**
  - Ya (*Yes*);
    - a. Jika Ya, berapa lama Anda bekerja saat itu: \_\_\_\_\_ tahun (*how long have you been working?*)
    - b. Jika Ya, di sektor apa? (Jawaban boleh lebih dari satu) (*If yes, in what sector?*) (*Select all applicable*)
      - Pemerintah (*Public*)  Swasta (*Private*)  Wiraswasta (*Self-employed*)
      - Lainnya (*Others*), \_\_\_\_\_

7. Apakah saat ini Anda memiliki pekerjaan lain selain bisnis terkait sanitasi?

*(Are you currently involved in any other job or business(es) besides the sanitation business?)*

Ya. Sebutkan usaha Anda tersebut. *(Yes, please specify what is your other Job/business?)*

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Tidak *(No)* **(Langsung ke Bagian II)**

8. Berapa banyak waktu yang Anda gunakan untuk mengelola bisnis sanitasi Anda?

*(How much time do you spend on your sanitation business compared to your other job/business(es)?)*

\_\_\_\_\_ jam/hari *(hours/day)* atau *(OR)* \_\_\_\_\_ hari/minggu *(day/week)*

**Bagian II. Perusahaan (The Business)**

9. Lokasi *(Location)*

Kota *(Urban)*

Kabupaten *(Sub-Urban)*

Desa *(Rural/Village)*

10. Kapan Anda memulai bisnis ini? *(Month and year of establishment)*

\_\_\_\_\_/\_\_\_\_\_(mm/yyyy)

11. Seberapa luas cakupan geografis bisnis Anda? *(What is the geographic area covered by your business?)*

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12. Apakah bisnis Anda menyediakan layanan untuk kaum miskin dan marginal? *(Does your business provide services to poor and informal communities?)*

Ya *(Yes)*; Mengapa? *(Why?)*

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Tidak *(No)*; Mengapa? *(Why?)*

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13. Apa tujuan bisnis Anda? *(What are your business goals?)*

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14. Ketika Anda memutuskan untuk menjalankan bisnis ini saat pertama kali berdiri, mengapa Anda memilih bisnis yang terkait dengan sanitasi (misalnya menjual produk dan layanan sanitasi). [Catatan: jika keuntungan menjadi salah satu alasan yang dikemukakan, tanya mengapa responden memilih bisnis ini dan bukan bisnis yang lain?]

*(Think back to when you first decided to become a sanitation entrepreneur. What was your main reason for doing so?) [Prompt: if profit is one of the reasons presented, ask: 'why did you choose this particular business opportunity and not another one?']*

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15. Setelah berdiri, bagaimana kondisi bisnis Anda (dalam hal keuntungan)? *(After establishment, how was your business doing (in terms of profit?)*

- Tidak berkembang dan menurun *(Not growing and declined)*
- Berkembang setelah 6 bulan *(Growing after 6 months)*
- Berkembang setelah 1 tahun *(Growing after 1 year)*
- Berkembang setelah 2 tahun *(Growing after two years)*

16. Jika jawaban "Tidak berkembang dan menurun", apakah bisnis Anda masih beroperasi? *(Is your business still operating?)*

- Ya *(Yes)*
- Tidak *(No)*. Jelaskan mengapa berhenti beroperasi? *(Why did it stop?)*

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17. Jika bisnis Anda telah beroperasi lebih dari 3 tahun, bagaimana kemajuan bisnis dari aspek keuntungan dalam 2 tahun ini? *(If you've been operating for more than about 3 years, how has the business progressed in terms of profit in the last 2 years?)*

- Menurun *(Declined)*
- Meningkat *(Increased)*
- Stabil *(Remained stable)*
- Belum untung *(Not yet profitable)*

18. Siapa yang memulai pendirian bisnis ini? (Jawaban boleh lebih dari satu)

*(Who started the firm?) (Multiple answers possible)*

- Sendiri *(Yourself)*
- Anggota keluarga, sebutkan *(A family member. Please specify)* \_\_\_\_\_
- Lainnya, Sebutkan *(Other, please specify)* \_\_\_\_\_

19. Apakah ada anggota keluarga yang pernah terlibat dalam pengelolaan bisnis ini?  
 (Have any of your family members ever been involved in the business (past and currently?)

- Ya (Yes)     Tidak (No) **(Langsung ke No. 20)**

a. Apa manfaat dan tantangan/kesulitan dalam menjalankan bisnis keluarga?  
 (What are the benefits and challenges/difficulties of running a family business?)

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20. Status Perusahaan (Status of the firm)

- Belum terdaftar - informal (Informal)     Memiliki aspek legal (Legal formal business)
- Anak perusahaan (Subsidiary)     Koperasi (Cooperative)
- Lainnya, sebutkan (Others, please specify) \_\_\_\_\_

21. Berapa banyak uang, aset, dan waktu yang Anda investasikan untuk bisnis ini?  
 (How much have you invested of your own money, effort, assets or time to start this business?)

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22. Modal awal investasi (Amount of starting investment) Rp \_\_\_\_\_  
 Note: berapa besar pengorbanan atau apa yang sudah diinvestasikan untuk bisnis tersebut (Notes on value of starting investment)

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23. Total akumulasi aset saat ini (Amount of accumulated assets) Rp \_\_\_\_\_

Note: berapa besar akumulasi aset dan utamanya pengorbanan atau semua hal yang sudah dimiliki hingga saat ini (Notes on accumulated assets and their value)

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24. Sumber modal (jawaban boleh lebih dari satu) (Source of capital) (multiple answers possible)

- Tabungan/investasi pribadi (Personal savings/investment)     Patungan dengan kolega/teman (Joint venture with colleagues/friends)

- Investasi Keluarga (*Family investment*)       Investasi pihak lain (*Third-party investment*)

- Pinjaman (*Loan*)       Lainnya, sebutkan (*Others, please specify*)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

25. Produk/layanan apa yang Anda jual/tawarkan dan berapa harga yang ditetapkan? (Jawaban boleh lebih dari satu)

*(What products do you sell or services do you offer and how much do you charge for these?) (Select all applicable)*

Produk-produk ( <i>Products</i> )	Biaya ( <i>Cost</i> )
<input type="checkbox"/> Dudukan toilet ( <i>Toilet pan</i> )	
<input type="checkbox"/> Paket toilet lengkap (tanpa bangunan, tanpa pemasangan) <i>(Full-toilet package (without superstructure, not installed))</i>	
<input type="checkbox"/> Paket toilet lengkap (dengan bangunan, tanpa pemasangan) <i>(Full-toilet package (with superstructure, not installed))</i>	
<input type="checkbox"/> Lainnya ( <i>other</i> ), sebutkan ( <i>specify</i> )	
_____	_____
_____	_____
_____	_____
_____	_____
Jasa Lainnya ( <i>Services</i> )	Biaya ( <i>Cost</i> )
<input type="checkbox"/> Pemasangan paket toilet lengkap (tanpa bangunan) <i>(Installation of full-toilet package (without superstructure))</i>	
<input type="checkbox"/> Pemasangan paket toilet lengkap (dengan bangunan) <i>(Installation of full-toilet package (with superstructure))</i>	
<input type="checkbox"/> Lainnya ( <i>other</i> ), sebutkan ( <i>specify</i> )	
_____	_____
_____	_____
_____	_____
_____	_____

26. Berapa rerata pendapatan bersih per bulan dalam satu tahun terakhir?

*(What is the monthly average net revenue of the firm in the past year):*

Rp. \_\_\_\_\_/bulan

Atau dapat digali dengan memberikan jawaban di bawah ini. *(or fill out one of this range)*

- Pendapatan (*Revenue*) ≤ IDR 100.000
- IDR 100.000 ≤ IDR 500.000
- IDR 500.000 < Pendapatan ≤ IDR 1.000.000



- IDR 1.000.000 < Pendapatan ≤ IDR 5.000.000
- IDR 5.000.000 < Pendapatan ≤ IDR 10.000.000
- Pendapatan ≥ IDR 10.000.000

27. Komposisi konsumen yang Anda layani? *(What's the composition of your customers?)*

- a. Individu/rumah tangga *(Individual/households)*: \_\_\_\_\_ %
- b. Institusi (swasta dan pemerintah) *(Institution; private and government)*: \_\_\_\_\_ %

28. Apakah Anda menawarkan cicilan pembayaran? *(Do you offer customer payment in installments?)*

- Ya *(Yes)*
- Tidak *(No)*

29. Berapa proporsi konsumen yang membayar dengan cicilan/angsuran? *(What proportion of your customers needs to pay in installments?)* \_\_\_\_\_ %

30. Berapa jumlah karyawan selain pemilik usaha? *(What is the number of your employees, in addition to the owner?)*

	Karyawan Penuh Waktu <i>Full-time employees</i>	Karyawan Paruh Waktu <i>Part-time employees</i>
Pada awal berdiri <i>(At start-up)</i> :	_____	_____
Saat ini <i>(At present)</i> :	_____	_____

31. Bagaimana Anda mempromosikan dan memasarkan bisnis Anda? (Jawaban boleh lebih dari satu) *(How do you market and promote your business (product and services?) (multiple answers possible)*

- Web-page/Internet
- TV
- Radio
- Pemasaran mulut ke mulut *Word-of-mouth*
- Staff pemerintah *Government staff*
- Penjualan langsung *Direct selling*
- Koran *Newspapers*
- Posters/flyers
- Papan Iklan *Advertising board*
- Pameran *Store visibility*
- Agen penjualan *Sales Agent*
- Lainnya *(other)*, \_\_\_\_\_

32. Apakah Anda bergabung dalam asosiasi terkait sanitasi? *(Are you a member of sanitation-related association?)*

- Tidak **(Langsung ke bagian III)** *(No) Jump to Part III*
- Ya *(Yes)*

a. Jika Ya, apa nama asosiasi tersebut dan mengapa? (If 'Yes', which association and why?)

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b. Pengalaman apa yang Anda peroleh dengan menjadi anggota asosiasi?

(What has that experience been like, to be a member of the association?)

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**Bagian III. Tantangan Bisnis dan Faktor Sukses (Business Challenges and Success Factors)**

33. Berdasarkan pengalaman Anda, hal apa yang paling menunjang kesuksesan bisnis Anda? Adakah faktor-faktor lain yang juga penting? (Based on your experience, what mattered the most in helping your business to succeed? Are there any other factors that have also been important?)

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34. Wajar bagi sebuah bisnis untuk menghadapi berbagai tantangan seperti yang disebutkan berikut. Berdasarkan pengalaman Anda, dalam skala 1-4, seberapa besar tantangan tersebut mempengaruhi kesuksesan bisnis Anda. Catatan: 1= bukan tantangan; 4 = tantangan yang besar.

(It is normal for businesses to face various challenges over time. Some of the common challenges for example are [name a few from the list]. For your business, some of these may not have been a challenge at all, or only a small challenge, whereas other may have been a big challenge. Starting with lack of demand for example, based on your experience, on a scale of 1-4 how much of a challenge has it been to the success of your sanitation business, where 1 is 'no challenge' and 4 is 'big challenge'.)

1.	Tidak mencukupinya penjualan untuk keberlanjutan bisnis/Rendahnya permintaan <i>Not enough sales to sustain the business/low or lack of demand</i>	1	2	3	4
2.	Minimnya pengetahuan dan keterampilan bisnis <i>Not enough business knowledge and skills</i>	1	2	3	4
3.	Minimnya pengetahuan dan keterampilan teknis <i>Not enough technical knowledge and skills</i>	1	2	3	4
4.	Minimnya keterampilan pemasaran <i>Not enough marketing skills</i>	1	2	3	4
5.	Tidak tersedianya waktu <i>Not enough time</i>	1	2	3	4
6.	Tidak strategisnya lokasi yang dimiliki <i>Unfavorable location</i>	1	2	3	4
7.	Jenuhnya pasar yang dimasuki <i>Market saturation</i>	1	2	3	4
8.	Sulit mencari karyawan yang baik <i>Hard to find good staff with the right skills (e.g. masons, sales staff, admin, or other)</i>	1	2	3	4

9.	Tidak cukupnya akses ke jasa perbankan <i>Not enough access to banking services</i>	1	2	3	4
10.	Tingginya tingkat suku bunga pinjaman bank <i>High interest rates for bank loans</i>	1	2	3	4
11.	Tidak mampu memenuhi persyaratan pengajuan pinjaman kepada bank <i>Unable to meet bank requirements for bank loans (e.g. collateral; financial statements)</i>	1	2	3	4
12.	Kurangnya sumber pembiayaan alternatif selain bank <i>Not enough alternative sources of finance other than bank (e.g. through social networks)</i>	1	2	3	4
13.	Kurangnya akses konsumen ke modal <i>Lack of access to finance for customers</i>	1	2	3	4
14.	Tingginya biaya bahan baku dan peralatan <i>High cost of materials and equipment</i>	1	2	3	4
15.	Kurangnya akses ke informasi <i>Lack of access to information (e.g. information about the needs and preferences of the market, source and cost of materials)</i>	1	2	3	4
16.	Kurangnya akses mengikuti pelatihan lanjutan dan program pendampingan <i>Lack of access to continuing training opportunities and/or mentoring</i>	1	2	3	4
17.	Tidak jelasnya peraturan pemerintah <i>Unclear or lack of government legislation (e.g. legislation to become a formal business)</i>	1	2	3	4
18.	Adanya pajak resmi pemerintah <i>Official taxes</i>	1	2	3	4
19.	Adanya pungutan tidak resmi/liar <i>Unofficial retributions/taxes</i>	1	2	3	4
20.	Tingginya tingkat persaingan di bisnis sejenis <i>High level of competition (too many similar business)</i>	1	2	3	4
21.	Tingginya biaya tetap <i>High fixed expenses (e.g. electricity, salary, venue rental, etc.)</i>	1	2	3	4
22.	Terlalu banyak konsumen yang menunggak pembayaran <i>Too many instalment customers late on payments</i>	1	2	3	4
23.	Kurangnya jejaring sosial dan bisnis <i>Lack of social and business networks</i>	1	2	3	4
24.	Kurangnya kemitraan bisnis <i>Lack of business partnership</i>	1	2	3	4
25.	Kurangnya dukungan dari staf pemerintah <i>Lack of support from government staff</i>	1	2	3	4

35. Dari tantangan-tantangan tersebut, mana yang merupakan masalah terbesar bagi bisnis Anda? Adakah tantangan lain yang juga menjadi masalah utama? *(Of all the challenges you just talked about, which one is the biggest problem for you? Is there any another challenge that has also been a big problem?)*

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36. Ketika Anda menghadapi masalah dalam mengelola bisnis, bagaimana Anda mengatasinya? *(When you faced problems in your business in the past, how have you faced these?) [Prompts: For example: approached government agency, approached other sanitation entrepreneurs, social networks, sanitation entrepreneur associations, approached NGOs, pay for someone for legal advice, attend training, pay technician – subcontract someone expert/pay for some advice (technology, mgt, financial etc), approached bank, other – specify:....] CATATAN: Inti dari pertanyaan ini adalah menggali level of proactiveness.*

Note: enumerator tidak memberikan arahan jawaban (Unprompted response)

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Note: enumerator memberikan arahan jawaban (Prompted response)

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37. Apa yang Anda rasakan berkaitan dengan adanya berbagai dukungan yang membantu Anda (bisnis Anda) menghadapi tantangan/masalah? (How do you feel about the support that has been available to help you when you have faced these challenges?)

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#### Bagian IV. Budaya, Gender dan Kewirausahaan (Cultural and gender influences on entrepreneurship)

38. Jawablah pertanyaan berikut ini dalam skala 1 (rendah) sampai dengan 4 (tinggi) (I'm going to ask you questions and ask you to answer these in a scale of 1 (low) to 4 (high).)

1.	Inovator bisnis memiliki tingkatan status yang berbeda di tiap negara. Menurut Anda, seberapaakah tingkat status inovator bisnis di Indonesia? <i>Business innovators have different levels of status in different countries. How much status you think they have in Indonesia?</i>	1	2	3	4
2.	Terkait dengan komunitas lokal Anda, pada tingkat manakah status bisnis yang Anda miliki? <i>Now thinking about your local community, what level of status do you think your own sanitation business has?</i>	1	2	3	4
3.	Setiap negara memiliki nilai yang berbeda antara menjadi wirausaha dibandingkan menjadi pegawai di institusi. Menurut Anda, seberapa besar menjadi wirausaha itu dihargai di Indonesia? <i>Different countries have different values about self-employment as opposed employment in a larger institution. How much do you think self-employment is valued in Indonesia?</i>	1	2	3	4
4.	Setiap negara memiliki nilai yang berbeda tentang pengambilan risiko. Menurut Anda, seberapa besar pengambilan risiko dinilai di Indonesia? <i>Different countries also have different values around business risk-taking. How do you think business risk-taking is valued in Indonesia?</i>	1	2	3	4
5.	Bagaimana pengambilan risiko bisnis dinilai dalam komunitas Anda? <i>And how do you think business risk-taking is valued in your community?</i>	1	2	3	4
6.	Bagaimana pengambilan risiko bisnis dinilai dalam keluarga Anda? <i>How do you think business risk-taking is valued in your family?</i>	1	2	3	4
7.	Terkait perbedaan antara perempuan dan laki-laki di Indonesia, menurut Anda, seberapa mudah bagi seorang perempuan untuk menjadi wirausaha di Indonesia? <i>Concerning differences between women and men in Indonesia. How easy do you think it is for women to become entrepreneurs in</i>	1	2	3	4

	<i>Indonesia?</i>				
8.	Terkait perbedaan perempuan dan laki-laki di komunitas anda, Menurut Anda, seberapa mudah bagi seorang perempuan untuk menjadi wirausaha di komunitas Anda? <i>And now concerning women and men in your community. How easy do you think it is for women to become entrepreneurs in your community?</i>	1	2	3	4

39. a. Berikan alasan untuk jawaban pertanyaan no. 38-7 tentang seberapa mudah perempuan menjadi wirausaha di Indonesia. *Note: tanyakan mengapa menjawab seperti itu. (Give reasons for the answer to question no. 41-7 about how easily women become entrepreneurs in Indonesia)*

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b. Berikan alasan untuk jawaban pertanyaan no. 38-8 tentang seberapa mudah perempuan menjadi wirausaha di komunitas Anda. *Note: tanyakan mengapa menjawab seperti itu.*

*[Note to interviewer: Ask respondent to explain any difference between ratings in question 41-7 and 41-8]*

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**Bagian V. Kepribadian dan Motivasi Wirausaha (Entrepreneurial personality and motivations)**

40. Menurut Anda, orang dengan tipe seperti apa yang akan menjadi wirausaha di bisnis (sanitasi) yang sukses? (Catatan: Keterampilan apa yang harus dimiliki? Pengalaman apa yang dimiliki? Tipe kepribadian seperti apa?) *(What type of person do you think makes a successful sanitation entrepreneur?) Note: enumerator tidak memberikan arahan jawaban (Unprompted response)*

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a. Kepribadian seperti apa yang dimiliki para wirausaha? *(What type of personality do they have?)*

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b. Keterampilan seperti apa yang dimiliki para wirausaha? *(What skills do they have?)*

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c. Pengalaman seperti apa yang dimiliki para wirausaha? *(What experience do they have?)*

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41. Jawablah pertanyaan berikut ini dalam skala 1 (rendah) sampai dengan 4 (tinggi)  
*(I'm going to ask you questions and ask you to answer these in a scale of 1 (low) to 4 (high).*

1.	Seberapa mudah bagi Anda untuk menemukan peluang bisnis baru? <i>How easy do you think it is for you to discover new business opportunities?</i>	1	2	3	4
2.	Seberapa banyak Anda menilai diri sendiri sebagai seorang inovator? <i>How much do you see yourself as an innovator?</i>	1	2	3	4
3.	Seberapa mudah untuk memperoleh keuntungan/menjaga keberlangsungan bisnis yang Anda jalani saat ini? <i>How easy is to make a profit/maintain a sanitation business?</i>	1	2	3	4
4.	Ketika Anda memulai bisnis, seberapa yakin Anda bahwa bisnis yang akan dijalankan ini berhasil? <i>When you started this business, how certain were you that it was going to be success?</i>	1	2	3	4
5.	Seberapa yakin Anda saat ini akan keberhasilan bisnis Anda di masa depan? <i>How confident are you of the future success of your business now?</i>	1	2	3	4
6.	Seberapa besar komitmen Anda untuk melanjutkan bisnis sanitasi ini di masa depan? <i>How committed do you feel to continuing your sanitation business into the future?</i>	1	2	3	4
7.	Dalam bisnis Anda, seberapa banyak Anda mengikuti model/ide yang sama dengan pelaku bisnis sejenis? <i>In your sanitation business, how much do you follow the same model/ideas as others?</i>	1	2	3	4
8.	Seberapa sering Anda telah mencoba ide baru untuk produk dan layanan bisnis ini (yang menjual produk/layanan sanitasi)? <i>How often have you tried new ideas for your services and products in your sanitation business?</i>	1	2	3	4
9.	Menurut Anda, seberapa penting pengambilan risiko dalam sebuah bisnis? <i>How important do you think it is to take risks in a business?</i>	1	2	3	4
10.	Seberapa yakin Anda mampu memperoleh pinjaman dari bank? <i>How confident do you feel to get a loan from a bank?</i>	1	2	3	4
11.	Seberapa tinggi kepercayaan diri Anda sebagai seorang wirausaha?	1	2	3	4

	<i>What is your level of confidence in yourself as an entrepreneur?</i>				
<b>12.</b>	Menurut Anda, seberapa berbahaya mengambil risiko di bisnis ini (yang menjual produk/layanan sanitasi)?  <i>How dangerous do you think it is to take risks in the area of sanitation business?</i>	1	2	3	4

42. Apakah Anda pernah mengembangkan produk atau layanan baru bagi konsumen Anda? Berikan contoh. *(Have you developed new products or services for your customers? Can you give some examples?)*

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Apakah ada manfaat lain dari berkecimpung di bisnis ini (menjual produk/layanan sanitasi) selain keuntungan? Apakah itu? Jelaskan. *(Have there been some other benefits for you of being involved in this business other than profit? What have these been?)*

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43. Apakah Anda melihat diri sendiri sebagai seorang wirausaha yang murni berbisnis, memberikan pelayanan sosial, atau keduanya? Mengapa Anda mendeskripsikan diri seperti itu? *(Do you see yourself as running a business or providing a social service or both? Why do you describe yourself this way?)*

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44. Dalam 2 tahun mendatang, apa yang Anda lihat untuk bisnis Anda? Seharusnya seperti apa? Apa yang akan Anda lakukan/selesaikan? *(In 2 years from now, where do you see your business? What should it look like? What will you have accomplished?)*

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45. Mengapa masa depan bisnis Anda seperti yang telah Anda deskripsikan penting bagi Anda? *(Why is this future you've described for your business important to you?)*

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TERIMA KASIH *(Thank you)*

## APPENDIX 3. DATA COLLECTION TOOL FOR WATER ENTERPRISES

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### Motivasi dan Hambatan Wirausaha Penyedia Air Bersih

*(Water enterprises)*

#### Bagian I. Manajer (The General Manager/Director)

1. Nama dan Posisi

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2. Jenis kelamin (*Sex*)  Perempuan (*Female*)  Laki-laki (*Male*)

3. Etnis (*Your ethnic group*)

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4. Tahun lahir (*Year of birth*) \_\_\_\_\_

5. Tingkat pendidikan terakhir (*Highest educational level attained*)

SD (*Elementary School*)  SMP (*Junior High School*)  SMU/SMK (*Senior High School*)

Akademi (*Diploma III*)  S1 (*Bachelor*)  S2 (*Master*)

6. Darimana Anda mendapatkan informasi dan keterampilan untuk mengelola bisnis penyedia air bersih? (Jawaban boleh lebih dari satu) (*Where did you get information and skills to run this organisation?*)

Pendidikan Formal (*Formal Education*)

Kursus (*Short-course*)

Bekerja di bidang yang sama (*Working in related business*)

Asosiasi (*Associations*)

Otodidak (*Self-learning*)

Lainnya

(*Others*), \_\_\_\_\_

7. Apakah Anda pernah bekerja sebelum memulai bisnis penyedia air bersih? (*Have you been working before starting working at this organisation?*)

Tidak pernah (*Never*) (**Langsung ke No. 8**)

a.  Ya (*Yes*); berapa lama Anda bekerja saat itu: \_\_\_\_\_ tahun (*how long have you been working?*)

b. Jika Ya, di sektor apa? (Jawaban boleh lebih dari satu) (*If yes, in what sector?*) (*Select all applicable*)

Pemerintah (*Public*)  Swasta (*Private*)  Wiraswasta (*Self-employed*)

Lainnya (*Others*), \_\_\_\_\_

8. Apakah saat ini Anda memiliki pekerjaan lain selain bisnis penyedia air bersih? (*Are you currently involved in any other job or business(es) besides this organisation?*)

Ya. Sebutkan usaha Anda tersebut. (*Yes, please specify what is your other Job/business?*)

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Tidak (*No*) (**Langsung ke Bagian II**)



9. Berapa banyak waktu yang Anda gunakan untuk mengelola bisnis penyedia air bersih Anda? *(How much time do you spend on this organization as compared to your other job/business(es)?)*

\_\_\_\_\_ jam/hari *(hours/day)* atau *(OR)* \_\_\_\_\_ hari/minggu *(day/week)*

10. Apakah Anda bergabung dalam asosiasi terkait penyedia air bersih? *(Are you a member of an association or business related association?)*

\_\_\_\_\_

\_\_\_\_\_

**Bagian II. Struktur Organisasi (The Water enterprise)**

11. Nama Organisasi

\_\_\_\_\_

12. Lokasi *(Location)*

Kota *(Urban)*                       Kabupaten *(Sub-Urban)*                       Desa *(Rural/Village)*

13. Kapan organisasi ini didirikan? *(Month and year of establishment)*

\_\_\_\_\_/\_\_\_\_\_(mm/yyyy)

14. Bagaimana organisasi didirikan? Apa yang mendorong sehingga organisasi didirikan? Siapa yang memulainya? *(How was this organisation created? What led to the creation of this organisation? Who started it?)*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

15. Apa tujuan organisasi Anda? *(What are the goals of this organization?)*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

16. Status Organisasi *(Status of the organisation)*

<input type="checkbox"/> Belum terdaftar - informal <i>(Informal)</i>	<input type="checkbox"/> Koperasi <i>(Cooperative)</i>
<input type="checkbox"/> Yayasan <i>(Foundation)</i>	<input type="checkbox"/> Asosiasi <i>(Association)</i>
<input type="checkbox"/> "PT" <i>(Limited Liability Company)</i>	<input type="checkbox"/> Lainnya, sebutkan <i>(Others, please specify)</i>
<input type="checkbox"/> BUMDES <i>(village-owned)</i>	_____
	_____
	_____

### Bagian III. Pengelolaan Internal Organisasi (Internal Arrangements of the water enterprise Staff, People, Membership)

17. Isilah tabel berikut ini (Fill- in the table below)

<b>STAF MANAJEMEN</b> (jajaran Direktur, GM, dsb) <i>Management staff (e.g. board of directors; general manager/director, deputy director; general assembly; etc)</i>	<b>Penuh Waktu</b> <i>(paid full time)</i>	<b>Paruh Waktu</b> <i>(paid part time)</i>
Jumlah Staff <i>(Total number of staff)</i>		
Kisaran Gaji <i>(Salary range) (Rp/month)</i>		
Waktu kerja <i>(working hours/day or days/week)</i>		
<b>STAF ADMINISTRASI</b> (Bendahara, Sekretaris, dsb.) <i>Administration staff (e.g. treasurer, secretary, bookkeeper, etc)</i>	<b>Penuh Waktu</b> <i>(paid full time)</i>	<b>Paruh Waktu</b> <i>(paid part time)</i>
Jumlah Staff <i>(Total number of staff)</i>		
Kisaran Gaji <i>(Salary range) (Rp/month)</i>		
Waktu kerja <i>(working hours/day or days/week)</i>		
<b>STAF OPERASIONAL/TEKNIS</b> (kepala bagian operasional, teknisi, dsb.) <i>Operational/technical (e.g. head of technical operations, technician, meter reader; tariff collector, etc)</i>	<b>Penuh Waktu</b> <i>(paid full time)</i>	<b>Paruh Waktu</b> <i>(paid part time)</i>
Jumlah Staff <i>(Total number of staff)</i>		
Kisaran Gaji <i>(Salary range) (Rp/month)</i>		
Waktu kerja <i>(working hours/day or days/week)</i>		
<b>STAF LAINNYA</b> (sebutkan) <i>Other type of staff (please specify):</i> _____	<b>Penuh Waktu</b> <i>(paid full time)</i>	<b>Paruh Waktu</b> <i>(paid part time)</i>
Jumlah Staff <i>(Total number of staff)</i>		
Kisaran Gaji <i>(Salary range) (Rp/month)</i>		
Waktu kerja <i>(working hours/day or days/week)</i>		

Tambahan Keterangan terkait pengelolaan karyawan/anggota/sukarelawan *(Additional NOTES concerning arrangements for employees/members/volunteers)*

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18. Tuliskan jumlah orang/karyawan yang memiliki kualifikasi seperti disebutkan dibawah ini *(Percentage or number of people, including the management, with any of the following qualifications) (write number in boxes):*

	Jumlah (number)	Persen (%)
SD <i>(Elementary School)</i>		
SMP <i>(Junior High School)</i>		
SMU/SMK <i>(Senior High School)</i>		
Akademi <i>(Diploma III)</i>		
S1 <i>(Bachelor)</i>		
S2 <i>(Master)</i>		

19. Berapa jumlah atau persentase orang yang saat ini terlibat pada pekerjaan lain di luar komunitas penyedia air bersih? *(Percentage or number of people that are currently involved in any other job or business(es) besides the water CBO?)*
- 

20. Berapa persentase atau jumlah orang dalam organisasi Anda yang bekerja pada sektor di bawah ini *(Percentage or number of people that works in any of the following sectors) (write number in boxes):*

	Jumlah (number)	Persen (%)
Pemerintah <i>(Public)</i>		
Swasta <i>(Private)</i>		
Wiraswasta <i>(Self-employed)</i>		
Lainnya <i>(Others)</i>		

#### Bagian IV. Layanan Organisasi (The water enterprise)

21. Berapa cakupan geografis organisasi Anda? *(What is the geographic area covered by this organisation?)*

a. Berapa jumlah desa dan kecamatan ? *(How many villages and districts?)* \_\_\_\_\_

Tolong dirinci *(Please specify):*

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22. Jumlah rumah tangga yang dilayani *(Total number of households served):* \_\_\_\_\_

23. Jumlah Institusi yang dilayani *(Total number of institutions served):* \_\_\_\_\_

24. Persentase rumah tangga berpenghasilan rendah (Catatan: tanyakan kepada responden bagaimana Water CBO mendefinisikan rumah tangga berpenghasilan rendah – berdasarkan konsumsi listrik, klasifikasi penghasilan, lokasi, bahan atau ukuran dari rumah mereka, dll. *Percentage of low-income households: (Note: ask respondent how the water CBO defines low-income households – based on electricity consumption; income classification; location, materials or size of their home; other etc.)*)

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25. Apakah organisasi Anda memberikan pelayanan kepada komunitas informal (rumah tangga yang rumahnya berdiri di atas tanah ilegal (e.g. tanah desa)? *(Does your business provide services to informal communities (that is households without legal land tenure?)*

Ya *(Yes); Mengapa? (Why?)*

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Tidak *(No); Mengapa? (Why not?)*

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26. Kapasitas Produksi *(Production capacity) (m<sup>3</sup>):* \_\_\_\_\_

27. Rata-rata konsumsi air bersih *Average water consumption* (m<sup>3</sup>/bulan/konsumen): \_\_\_\_\_
28. Kebocoran *(Water loss) (%)*: \_\_\_\_\_
29. Apakah organisasi Anda menyediakan jasa lain sebagai tambahan dari air bersih? *(Does the organisation provides other products or services in addition to piped water supply?)*  
 Tidak *(No)*    Ya *(Yes) (Please specify):*  
 \_\_\_\_\_
30. Tarif air *(Water tariffs)*, termasuk detail tarif dari volume ataupun tipe konsumen yang berbeda *(include details if there is more than one tariff for different volumes or consumer types):*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
31. Biaya sambungan air baru *(Cost of new water connections/installation)*: IDR  
 \_\_\_\_\_
32. Berapa biaya untuk jasa-jasa lainnya? *(Costs of any other services provided?)*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
33. Rasio pengeluaran-pendapatan? *(Expense-revenue ratio?)* \_\_\_\_\_
34. Berapa banyak uang, aset, dan waktu yang Anda investasikan untuk organisasi ini? *(How much money, assets or time has been invested to start the organisation?)*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
35. Modal awal dan sumber modal investasi -- jawaban boleh lebih dari satu. *(Amount and source of starting investment) (multiple answers are allowed)*

		Catat dalam IDR atau lainnya
Tabungan investasi pribadi <i>(personal savings from one member)</i>		
Tabungan/investasi pribadi dari dua orang atau lebih anggota organisasi <i>(personal savings from one or more members)</i>		
Investasi keluarga <i>(investment from one family)</i>		
Investasi dengan/dari pihak lain <i>(third-party investment e.g. donor or government)</i>		
Pinjaman <i>(loan)</i>		
Lainnya, sebutkan <i>(other, please specify)</i>		

36. Total akumulasi aset saat ini (*Amount of accumulated assets*) Rp

Catat akumulasi aset dan nilai-nilainya (*Notes on accumulated assets and their value*)

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37. Setelah berdiri, bagaimana kondisi usaha organisasi Anda (dalam hal keuntungan)?

(*After establishment, how was your business doing (in terms of profit)?*)

- Tidak berkembang dan menurun (*Not growing and declined*)
- Berkembang setelah 6 bulan (*Growing after 6 months*)
- Berkembang setelah 1 tahun (*Growing after 1 year*)
- Berkembang setelah 2 tahun (*Growing after two years*)

38. Bagaimana perkembangan usaha organisasi dalam hal keuntungan ? (untuk organisasi yang telah berjalan lebih dari 3 tahun, bagaimana keuntungan dalam 2 tahun ini) (*For organisations that have been running for more than 3 years, in the last 2 years, how has the business progressed in terms of profit?*)

- Menurun (*Declined*)
- Meningkatkan (*Increased*)
- Stabil (*Remained stable*)
- Belum untung (*Not yet profitable*). Kapan akan BEP (*when will BEP*):

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39. Berapa rerata pendapatan bersih per bulan dalam satu tahun terakhir? (*What is the monthly average net revenue of the firm in the past year?*)

Rp. \_\_\_\_\_/bulan

Atau dapat digali dengan memberikan jawaban di bawah ini. (*or fill out one of this range*)

- Pendapatan (*Revenue*) ≤ IDR 10.000.000
- IDR 10.000.001 < Pendapatan ≤ IDR 50.000.000
- IDR 50.000.001 < Pendapatan ≤ IDR 100.000.000
- IDR 100.000.001 < Pendapatan ≤ IDR 150.000.000
- IDR 150.000.001 < Pendapatan ≤ IDR 200.000.000
- Pendapatan ≥ IDR 200.000.001

40. Apakah Anda menawarkan cicilan pembayaran untuk layanan yang ditawarkan? (Do you offer customer payment in installments?)

Pembayaran Cicilan	Ya	Tidak	Berapa lama (payback period)
Sumbangan rumah (SR) (water installation)			
Langganan air (water rate)			

41. Berapa proporsi konsumen yang membayar dengan cicilan/angsuran? (What proportion of your customers have financial difficulty so that they need to pay in installments or sometimes late?)  
 \_\_\_\_\_ %

42. Bagaimana Anda mempromosikan dan memasarkan bisnis Anda? (Jawaban boleh lebih dari satu) (How do you market and promote the organisation's services?) (multiple answers possible)

<input type="checkbox"/> Web-page/Internet	<input type="checkbox"/> TV	<input type="checkbox"/> Radio	<input type="checkbox"/> Pemasaran mulut ke mulut Word-of-mouth
<input type="checkbox"/> Staff pemerintah Government staff	<input type="checkbox"/> Penjualan langsung Direct selling	<input type="checkbox"/> Koran Newspapers	<input type="checkbox"/> Posters/flyers
<input type="checkbox"/> Papan Iklan Advertising board	<input type="checkbox"/> Pameran Store visibility	<input type="checkbox"/> Agen penjualan Sales Agent	<input type="checkbox"/> Lainnya (other), _____

43. Apakah organisasi Anda bergabung dalam asosiasi terkait air bersih? (Is the organisation a member of an association/federation or business related association?)

Tidak (**Langsung ke bagian V**) (No) Jump to Part III  Ya (Yes)

a. Jika Ya, apa nama asosiasi tersebut dan mengapa? (If 'Yes', which association and why?)

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b. Pengalaman apa yang organisasi Anda peroleh dengan menjadi anggota asosiasi?

(What has that experience been like, for the organization to be a member of the association/federation? What are the benefits? What could be improved?)

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## Bagian V. Tantangan Bisnis dan Faktor Sukses (Business Challenges and Success Factors)

44. Berdasarkan pengalaman Anda, apa saja hal yang penting dan mendukung kesuksesan usaha organisasi Anda? Apakah ada faktor-faktor lain yang juga penting?

*Based on your experience, what mattered the most in helping your business to succeed? Are there any other factors that have also been important?*

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45. Suatu hal yang wajar, setiap bisnis menghadapi tantangan beragam. Berikut ini adalah berbagai tantangan yang dihadapi oleh bisnis. Berdasarkan pengalaman Anda, dalam skala 1-4, seberapa besar tantangan tersebut mempengaruhi kesuksesan bisnis Anda. Catatan: 1= bukan tantangan; 4= tantangan yang besar.

*(It is normal for businesses to face various challenges over time. Some of the common challenges for example are [name a few from the list]. For your business, some of these may not have been a challenge at all, or only a small challenge, whereas other may have been a big challenge. Starting with lack of demand for example, based on your experience, on a scale of 1-4 how much of a challenge has it been to the success of your water enterprise, where 1 is 'no challenge' and 4 is 'big challenge'.)*

1.	Tidak mencukupinya penjualan untuk keberlanjutan bisnis/Rendahnya permintaan <i>Not enough sales to sustain the business/low or lack of demand</i>	1	2	3	4
2.	Minimnya pengetahuan dan keterampilan bisnis <i>Not enough business knowledge and skills</i>	1	2	3	4
3.	Minimnya pengetahuan dan keterampilan teknis <i>Not enough technical knowledge and skills</i>	1	2	3	4
4.	Minimnya keterampilan pemasaran <i>Not enough marketing skills</i>				
5.	Tidak tersedianya waktu <i>Not enough time</i>	1	2	3	4
6.	Tidak strategisnya lokasi yang dimiliki <i>Unfavorable location</i>	1	2	3	4
7.	Jenuhnya pasar yang dimasuki <i>Market saturation</i>	1	2	3	4
8.	Sulit mencari karyawan yang baik <i>Hard to find good staff with the right skills (e.g. masons, sales staff, admin, or other)</i>	1	2	3	4
9.	Tidak cukupnya akses ke jasa perbankan <i>Not enough access to banking services</i>	1	2	3	4
10.	Tingginya tingkat suku bunga pinjaman bank <i>High interest rates for bank loans</i>	1	2	3	4
11.	Tidak mampu memenuhi persyaratan pengajuan pinjaman kepada bank <i>Unable to meet bank requirements for bank loans (e.g. collateral; financial statements)</i>	1	2	3	4
12.	Kurangnya sumber pembiayaan alternatif selain bank <i>Not enough alternative sources of finance other than bank (e.g. through social networks)</i>	1	2	3	4
13.	Kurangnya akses konsumen ke modal <i>Lack of access to finance for customers</i>	1	2	3	4
14.	Tingginya biaya bahan baku dan peralatan <i>High cost of materials and equipment</i>	1	2	3	4
15.	Kurangnya akses keinformasi <i>Lack of access to information (e.g. information about the needs and preferences of the market, source and cost of materials)</i>	1	2	3	4
18.	Kurangnya akses mengikuti pelatihan lanjutan dan program pendampingan <i>Lack of access to continuing training opportunities and/or mentoring</i>	1	2	3	4

17.	Tidak jelasnya peraturan pemerintah <i>Unclear or lack of government legislation (e.g. legislation to become a formal business)</i>	1	2	3	4
18.	Adanya pajak resmi pemerintah <i>Official taxes</i>	1	2	3	4
19.	Adanya pungutan tidak resmi/liar <i>Unofficial retributions/taxes</i>	1	2	3	4
20.	Tingginya tingkat persaingan di bisnis sejenis <i>High level of competition (too many similar business)</i>	1	2	3	4
21.	Tingginya biaya tetap <i>High fixed expenses (e.g. electricity, salary, venue rental, etc.)</i>	1	2	3	4
22.	Terlalu banyak konsumen yang menunggak pembayaran <i>Too many instalment customers late on payments</i>	1	2	3	4
23.	Kurangnya jejaring sosial dan bisnis <i>Lack of social and business networks</i>	1	2	3	4
24.	Kurangnya kemitraan bisnis <i>Lack of business partnership</i>	1	2	3	4
25.	Kurangnya dukungan dari staf pemerintah <i>Lack of support from government staff</i>	1	2	3	4

46. Dari tantangan-tantangan tersebut, mana yang merupakan masalah terbesar bagi usaha/bisnis organisasi Anda? Adakah tantangan lain yang juga menjadi masalah utama? *(Of all the challenges you just talked about, which one is the biggest problem for the water CBO? Is there any another challenge that has also been a big problem?)*

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47. Ketika Anda menghadapi masalah dalam mengelola bisnis, bagaimana Anda/organisasi Anda mengatasinya? *(When you faced problems in your business in the past, how have you faced these?) [Prompts: For example: approached government agency, approached other water enterprise leaders, social networks, water enterprise associations, approached NGOs, pay for someone for legal advice, attend training, pay technician – subcontract someone expert/pay for some advice (technology, mgt, financial etc), approached bank, other – specify:....]*  
 CATATAN: Inti dari pertanyaan ini adalah menggali level of proactiveness.  
 Note: enumerator tidak memberikan arahan jawaban (Unprompted response)

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Note: enumerator memberikan arahan jawaban (Prompted response)

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Apa yang Anda rasakan berkaitan dengan adanya berbagai dukungan yang membantu Anda (bisnis Anda) menghadapi tantangan/masalah? *(How do you feel about the support that has been available to help you when you have faced these challenges?)*

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**Bagian VI. Budaya, Gender dan Kewirausahaan (Cultural and gender influences on entrepreneurship)**

48. Jawablah pertanyaan berikut ini dalam skala 1 (rendah) sampai dengan 4 (tinggi) (I'm going to ask you questions and ask you to answer these in a scale of 1 (low) to 4 (high)).

1.	Tingkat inovasi bisnis berbeda di setiap negara. Menurut Anda, seberapa tingkat inovasi di Indonesia? <i>Business innovators have different levels of status in different countries. How much status you think they have in Indonesia?</i>	1	2	3	4
2.	Terkait dengan komunitas lokal Anda, pada tingkat status apakah bisnis yang Anda miliki? <i>Now thinking about your local community, what level of status do you think your own water enterprise has?</i>	1	2	3	4
3.	Setiap negara memiliki nilai yang berbeda terkait dengan menjadi wirausaha dibandingkan menjadi pegawai di institusi besar. Menurut Anda, seberapa besar menjadi wirausaha itu dihargai di Indonesia? <i>Different countries have different values about self-employment as opposed employment in a larger institution. How much do you think self-employment is valued in Indonesia?</i>	1	2	3	4
4.	Setiap negara memiliki nilai yang berbeda tentang pengambilan risiko. Menurut Anda, seberapa besar pengambilan risiko dinilai di Indonesia? <i>Different countries also have different values around business risk-taking. How do you think business risk-taking is valued in Indonesia?</i>	1	2	3	4
5.	Bagaimana pengambilan risiko bisnis dinilai dalam komunitas Anda? <i>And how do you think business risk-taking is valued in your community?</i>	1	2	3	4
6.	Bagaimana pengambilan risiko bisnis dinilai dalam keluarga Anda? <i>How do you think business risk-taking is valued in your family?</i>	1	2	3	4
7.	Terkait perbedaan antara perempuan dan laki-laki di Indonesia, menurut Anda, seberapa mudah bagi seorang perempuan untuk menjadi wirausaha di Indonesia? <i>Concerning differences between women and men in Indonesia. How easy do you think it is for women to become entrepreneurs in Indonesia?</i>	1	2	3	4
8.	Terkait perbedaan perempuan dan laki-laki di komunitas anda, Menurut Anda, seberapa mudah bagi seorang perempuan untuk terlibat dalam perusahaan dalam kapasitas sebagai karyawan yang dibayar? <i>And now concerning women and men in your community. How easy do you think it is for women to become involved in the enterprise in a paid capacity?</i>	1	2	3	4

49. a. Berikan alasan untuk jawaban pertanyaan no. 49-7 tentang seberapa mudah perempuan menjadi wirausaha di Indonesia. Note: tanyakan mengapa menjawab seperti itu.

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b. Berikan alasan untuk jawaban pertanyaan no. 49-8 tentang seberapa mudah perempuan menjadi wirausaha di komunitas Anda. Note: tanyakan mengapa menjawab seperti itu.

[Note to interviewer: Ask respondent to explain any difference between ratings in question 49-7 and 49-8]

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**Bagian VII. Kepribadian dan Motivasi Wirausaha (Entrepreneurial characteristics and motivations)**

50. Menurut Anda, orang dengan tipe seperti apa yang akan menjadi wirausaha di bisnis (pengadaan air bersih) yang sukses? (Catatan: Keterampilan apa yang harus dimiliki? Pengalaman apa yang dimiliki? Tipe kepribadian seperti apa?) *(What type of person do you think can successfully lead a water enterprise?) Note: enumerator tidak memberikan arahan jawaban (Unprompted response)*

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a. Kepribadian seperti apa yang dimiliki para wirausaha? *(What type of personality do they have?)*

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b. Keterampilan seperti apa yang dimiliki para wirausaha? *(What skills do they have?)*

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c. Pengalaman seperti apa yang dimiliki para wirausaha? *(What experience do they have?)*

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51. Jawablah pertanyaan berikut ini dalam skala 1 (rendah) sampai dengan 4 (tinggi) *(I'm going to ask you questions and ask you to answer these in a scale of 1 (low) to 4 (high)).*

1.	Seberapa mudah Anda untuk menemukan peluang bisnis baru? <i>How easy do you think it is for you to discover new business opportunities?</i>	1	2	3	4
2.	Seberapa banyak Anda menilai diri-sendiri sebagai seorang inovator? <i>How much do you see yourself as an innovator?</i>	1	2	3	4
3.	Seberapa mudah untuk memperoleh/menjaga keuntungan perusahaan penyedia air bersih? <i>How easy is to make a profit/maintain a water enterprise?</i>	1	2	3	4
4.	Ketika Anda memulai bisnis, seberapa yakin Anda bahwa bisnis yang akan dijalankan ini berhasil? <i>When the organisation started, how certain were you that it was going to be successful?</i>	1	2	3	4
5.	Seberapa yakin Anda saat ini akan keberhasilan bisnis air bersih di masa depan? <i>How confident are you of the future success of the water enterprise now?</i>	1	2	3	4
6.	Seberapa besar komitmen Anda untuk melanjutkan bisnis air bersih (menjual produk/ layanan air bersih) di masa depan? <i>How committed do you feel to continuing the water enterprise into the future?</i>	1	2	3	4
7.	Dalam bisnis Anda, seberapa banyak Anda mengikuti model/ide yang sama dengan pelaku bisnis air bersih sejenis? <i>In the water enterprise, how much do you follow the same model/ideas as other water enterprises?</i>	1	2	3	4

8.	Seberapa sering Anda telah mencoba ide baru untuk produk dan layanan air bersih? <i>How often have you tried new ideas for your services and products in the water enterprise?</i>	1	2	3	4
9.	Menurut Anda, seberapa penting pengambilan risiko dalam sebuah bisnis? <i>How important do you think is it to take risks in a business?</i>	1	2	3	4
10.	Seberapa yakin Anda mampu memperoleh pinjaman dari bank untuk organisasi pengolahan air bersih? <i>How confident do you feel to get a loan from a bank for the water enterprise?</i>	1	2	3	4
11.	Seberapa tinggi kepercayaan diri Anda sebagai seorang pemimpin dari organisasi? <i>What is your level of confidence in yourself as a leader of an enterprise?</i>	1	2	3	4
12.	Menurut Anda, seberapa berbahaya mengambil risiko di bisnis pengolahan air bersih? <i>How dangerous do you think it is to take risks in the business of water service provision?</i>	1	2	3	4

52. Apakah organisasi penyediaan air bersih Anda pernah mengembangkan produk atau layanan baru bagi konsumen? Berikan contoh. *(Has the water enterprise developed new products or services for its customers? Can you give some examples?)*

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53. Apakah ada keuntungan lain dari berkecimpung di bisnis penyediaan air bersih selain keuntungan finansial personal? Apakah itu? Jelaskan. *(Have there been some other benefits for you of being involved in this business other than personal financial benefit? What have these been?)*

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54. Apa yang memotivasi orang untuk bergabung dalam organisasi penyedia air bersih sebagai seorang karyawan? (catatan: apakah hanya keuntungan finansial? atau ada alasan lain yang memotivasi orang untuk menjadi karyawan?) *What motivates people to join the water enterprise (as paid staff)? [Prompt: Is it just financial benefit? Or there other reasons people wish to join as paid staff?]*

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55. Apa yang memotivasi orang untuk terlibat dalam organisasi penyedia air bersih (sebagai sukarelawan)? *What motivates people to join water enterprise (as volunteer staff)?*

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56. Apakah Anda melihat organisasi penyedia air bersih sebagai sebuah bisnis atau sebagai pemberi layanan sosial? Mengapa? *(Do you see the water enterprise as business or as providing a social service or both? Why?)*

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57. Dalam 2 tahun mendatang, apa yang Anda lihat untuk organisasi penyedia air bersih Anda? Seharusnya seperti apa? Apa yang akan Anda lakukan/selesaikan? *(In 2 years from now, where do you see the water enterprise? What should it look like? What will it have accomplished?)*

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58. Mengapa masa depan bisnis Anda seperti yang telah Anda deskripsikan penting bagi Anda? *(Why is this future you've described for the water CBO important to you)*

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Terima Kasih (THANK YOU)

## APPENDIX 4. DATA COLLECTION TOOL FOR SLUDGE REMOVAL ENTERPRISES

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### Motivasi dan Hambatan Wirausaha Pembuangan Limbah Rumah Tangga *(Motivation and Barriers to Entry for Sludge Removal Entrepreneurs)*

#### Bagian I. Pemilik Usaha (The Owner)

1. Jenis kelamin *(Sex)*       Perempuan *(Female)*       Laki-laki *(Male)*
  
2. Etnis *(Your ethnic group)* \_\_\_\_\_
  
3. Tahun lahir *(Year of birth)* \_\_\_\_\_ (mm/yy)
  
4. Tingkat pendidikan terakhir *(Highest educational level attained)*
  - SD *(Elementary School)*       SMP *(Junior High School)*       SMU/SMK *(Senior High School)*
  - Akademi *(Diploma III)*       S1 *(Bachelor)*       S2 *(Master)*
  
5. Darimana Anda mendapatkan informasi dan keterampilan untuk mengelola bisnis pembuangan limbah rumah tangga? (Jawaban boleh lebih dari satu) *(Where did you get information and skills to run sludge removal business?)*
  - Pendidikan Formal *(Formal Education)*
  - Kursus *(Short-course)*
  - Bekerja di bidang yang sama *(Working in related business)*
  - Asosiasi *(Associations)*
  - Otodidak *(Self-learning)*
  - Lainnya *(Others)*, \_\_\_\_\_
  
6. Apakah Anda pernah bekerja sebelum memulai bisnis pembuangan limbah rumah tangga? *(Have you been working before starting this sludge removal business?)*
  - Tidak pernah *(Never)* **(Langsung ke No. 7)**
  - Ya *(Yes)*
    - a. Jika Ya, berapa lama Anda bekerja saat itu: \_\_\_\_\_ tahun *(how long have you been working?)*
    - b. Jika Ya, di sektor apa? (Jawaban boleh lebih dari satu) *(If yes, in what sector?) (Select all applicable)*
      - Pemerintah *(Public)*       Swasta *(Private)*       Wiraswasta *(Self-employed)*
      - Lainnya *(Others)*, \_\_\_\_\_

7. Apakah saat ini Anda memiliki pekerjaan lain selain bisnis terkait pembuangan limbah rumah tangga?

*(Are you currently involved in any other job or business(es) besides the sludge removal business?)*

Ya. Sebutkan usaha Anda tersebut. *(Yes, please specify what is your other Job/business?)*

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Tidak *(No)* **(Langsung ke Bagian II)**

8. Berapa banyak waktu yang Anda gunakan untuk mengelola bisnis pembuangan limbah rumah tangga Anda? *(How much time do you spend on your sludge removal business compared to your other job/business(s)?)*

\_\_\_\_\_ jam/hari *(hours/day)* atau *(OR)* \_\_\_\_\_ hari/minggu *(day/week)*

### Bagian II. Perusahaan (The Business)

9. Lokasi *(Location)*

Kota *(Urban)*

Kabupaten *(Sub-Urban)*

Desa *(Rural/Village)*

10. Kapan Anda memulai bisnis ini? *(Month and year of establishment)*  
 \_\_\_\_\_/\_\_\_\_\_ *(mm/yyyy)*

11. Seberapa luas cakupan geografis bisnis Anda? *(What is the geographic area covered by your business?)*

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12. Apakah bisnis Anda menyediakan layanan untuk kaum miskin dan marginal? *(Does your business provide services to poor and informal communities?)*

Ya *(Yes)*; Mengapa? *(Why?)*

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Tidak *(No)*; Mengapa? *(Why?)*

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13. Apa tujuan bisnis Anda? *(What are your business goals?)*

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14. Ketika Anda memutuskan untuk menjalankan bisnis ini saat pertama kali berdiri, mengapa Anda memilih bisnis yang terkait dengan pembuangan limbah rumah tangga (misalnya sedot tinja). [Catatan: jika keuntungan menjadi salah satu alasan yang dikemukakan, tanya mengapa responden memilih bisnis ini dan bukan bisnis yang lain?]

*(Think back to when you first decided to become a sludge removal entrepreneur. What was your main reason for doing so?)*  
*[Prompt: if profit is one of the reasons presented, ask: 'why did you choose this particular business opportunity and not another one?']*

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15. Setelah berdiri, bagaimana kondisi bisnis Anda (dalam hal keuntungan)?

*(After establishment, how was your business doing (in terms of profit)?)*

- Tidak berkembang dan menurun *(Not growing and declined)*
- Berkembang setelah 6 bulan *(Growing after 6 months)*
- Berkembang setelah 1 tahun *(Growing after 1 year)*
- Berkembang setelah 2 tahun *(Growing after two years)*

16. Jika jawaban "Tidak berkembang dan menurun", apakah bisnis Anda masih beroperasi? *(Is your business still operating?)*

- Ya *(Yes)*
- Tidak *(No)*. Jelaskan mengapa berhenti beroperasi? *(Why did it stop?)*

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17. Jika bisnis Anda telah beroperasi lebih dari 3 tahun, bagaimana kemajuan bisnis dari aspek keuntungan dalam 2 tahun ini? *(If you've been operating for more than about 3 years, how has the business progressed in terms of profit in in the last 2 years?)*

- Menurun *(Declined)*
- Meningkatkan *(Increased)*
- Stabil *(Remained stable)*
- Belum untung *(Not yet profitable)*

18. Siapa yang memulai pendirian bisnis ini? (Jawaban boleh lebih dari satu)

*(Who started the firm?) (Multiple answers possible)*

- Sendiri *(Yourself)*
- Anggota keluarga, sebutkan *(A family member. Please specify)* \_\_\_\_\_
- Lainnya, Sebutkan *(Other, please specify)* \_\_\_\_\_

19. Apakah ada anggota keluarga yang pernah terlibat dalam pengelolaan bisnis ini?  
(Have any of your family members ever been involved in the business (past and currently)?)

Ya (Yes)     Tidak (No) **(Langsung ke No. 20)**

- a. Apa manfaat dan tantangan/kesulitan dalam menjalankan bisnis keluarga?  
(What are the benefits and challenges/difficulties of running a family business?)

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20. Status Perusahaan (Status of the firm)

Belum terdaftar - informal (Informal)     Memiliki aspek legal (Legal formal business)

Anak perusahaan (Subsidiary)     Koperasi (Cooperative)

Lainnya, sebutkan (Others, please specify) \_\_\_\_\_

21. Berapa banyak uang, aset, dan waktu yang Anda investasikan untuk bisnis ini?

(How much have you invested of your own money, effort, assets or time to this business?)

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22. Modal awal investasi (Amount of starting investment) Rp

Note: berapa besar pengorbanan atau apa yang sudah diinvestasikan untuk bisnis tersebut (Notes on value of starting investment)

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23. Total akumulasi aset saat ini (Amount of accumulated assets) Rp

Note: berapa besar akumulasi aset dan utamanya pengorbanan atau semua hal yang sudah dimiliki hingga saat ini (Notes on accumulated assets and their value)

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24. Sumber modal (jawaban boleh lebih dari satu) (Source of capital) (multiple answers possible)

Tabungan/investasi pribadi     Patungan dengan kolega/teman

(Personal savings/investment)

(Joint venture with colleagues/friends)



Investasi Keluarga (Family investment)       Investasi pihak lain (Third-party investment)

Pinjaman (Loan)       Lainnya, sebutkan (Others, please specify)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

25. Produk/layanan apa yang Anda jual/tawarkan dan berapa harga yang ditetapkan?  
(Jawaban boleh lebih dari satu)

(What products do you sell or services do you offer and how much do you charge for these?) (Select all applicable)

Layanan (Services)	Biaya (Cost)
<input type="checkbox"/> Hanya pembuangan limbah rumah tangga saja: volume ___m3 (Desluding only)- Volume _____m3	
<input type="checkbox"/> Pembuangan limbah rumah tangga saja: volume ___m3 dan jasa lainnya (Desluding and other additional service). Sebutkan (Please specify): _____	
Produk-Produk (Products)	Biaya (Cost)
<input type="checkbox"/> Produk, sebutkan:  _____ _____ _____ _____ _____	

26. Berapa rerata pendapatan bersih per bulan dalam satu tahun terakhir?

(What is the monthly average net revenue of the firm in the past year):

Rp. \_\_\_\_\_/bulan

Atau dapat digali dengan memberikan jawaban di bawah ini. (or fill out one of this range)

- Pendapatan (Revenue) ≤ IDR 100.000
- IDR 100.000 < Pendapatan ≤ IDR 500.000
- IDR 500.000 < Pendapatan ≤ IDR 1.000.000
- IDR 1.000.000 < Pendapatan ≤ IDR 5.000.000
- Pendapatan ≥ IDR 5.000.000

27. Komposisi konsumen yang Anda layani? *(What's the composition of your customers?)*

a. Individu/rumah tangga *(Individual/households)*: \_\_\_\_\_ %

b. Institusi (swasta dan pemerintah) *(Institution; private and government)*: \_\_\_\_\_ %

28. Apakah Anda menawarkan cicilan pembayaran? *(Do you offer customer payment in installments?)*

Ya *(Yes)*       Tidak *(No)*

29. Berapa proporsi konsumen yang membayar dengan cicilan/angsuran? *(What proportion of your customers needs to pay in installments?)* \_\_\_\_\_ %

30. Berapa jumlah karyawan selain pemilik usaha? *(What is the number of your employees, in addition to the owner?)*

Karyawan Penuh Waktu      Karyawan Paruh Waktu

*Full-time employees*

*Part-time employees*

Pada awal berdiri *(At start-up)*: \_\_\_\_\_

Saat ini *(At present)*: \_\_\_\_\_

31. Bagaimana Anda mempromosikan dan memasarkan bisnis Anda? (Jawaban boleh lebih dari satu) *(How do you market and promote your business (product and services?) (multiple answers possible)*

Web-page/Internet       TV       Radio       Pemasaran mulut ke mulut *Word-of-mouth*

Staff pemerintah *Government staff*       Penjualan langsung *Direct selling*       Koran *Newspapers*       Posters/flyers

Papan Iklan *Advertising board*       Pameran *Store visibility*       Agen penjualan *Sales Agent*       Lainnya *(other)*, \_\_\_\_\_

32. Apakah Anda bergabung dalam asosiasi terkait pembuangan limbah rumah tangga? *(Are you a member of sludge removal or sanitation related association?)*

Tidak **(Langsung ke bagian III)** *(No) Jump to Part III*       Ya *(Yes)*

a. Jika Ya, apa nama asosiasi tersebut dan mengapa? *(If 'Yes', which association and why?)*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

b. Pengalaman apa yang Anda peroleh dengan menjadi anggota asosiasi?

*(What has that experience been like, to be a member of the association?)*

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**Bagian III. Tantangan Bisnis dan Faktor Sukses (Business Challenges and Success Factors)**

33. Berdasarkan pengalaman Anda, hal apa yang paling menunjang kesuksesan bisnis Anda? Adakah faktor-faktor lain yang juga penting? *(Based on your experience, what mattered the most in helping your business to succeed? Are there any other factors that have also been important?)*

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34. Wajar bagi sebuah bisnis untuk menghadapi berbagai tantangan seperti yang disebutkan berikut. Berdasarkan pengalaman Anda, dalam skala 1-4, seberapa besar tantangan tersebut mempengaruhi kesuksesan bisnis Anda. Catatan: 1= bukan tantangan; 4 = tantangan yang besar.

*(It is normal for businesses to face various challenges over time. Some of the common challenges for example are [name a few from the list]. For your business, some of these may not have been a challenge at all, or only a small challenge, whereas other may have been a big challenge. Starting with lack of demand for example, based on your experience, on a scale of 1-4 how much of a challenge has it been to the success of your sludge removal business, where 1 is 'no challenge' and 4 is 'big challenge'.)*

1.	Tidak mencukupinya penjualan untuk keberlanjutan bisnis/Rendahnya permintaan <i>Not enough sales to sustain the business/low or lack of demand</i>	1	2	3	4
2.	Minimnya pengetahuan dan keterampilan bisnis <i>Not enough business knowledge and skills</i>	1	2	3	4
3.	Minimnya pengetahuan dan keterampilan teknis <i>Not enough technical knowledge and skills</i>	1	2	3	4
4.	Minimnya keterampilan pemasaran <i>Not enough marketing skills</i>	1	2	3	4
5.	Tidak tersedianya waktu <i>Not enough time</i>	1	2	3	4
6.	Tidak strategisnya lokasi yang dimiliki <i>Unfavorable location</i>	1	2	3	4
7.	Jenuhnya pasar yang dimasuki <i>Market saturation</i>	1	2	3	4
8.	Sulit mencari karyawan yang baik <i>Hard to find good staff with the right skills (e.g. masons, sales staff, admin, or other)</i>	1	2	3	4
9.	Tidak cukupnya akses ke jasa perbankan <i>Not enough access to banking services</i>	1	2	3	4
10.	Tingginya tingkat suku bunga pinjaman bank <i>High interest rates for bank loans</i>	1	2	3	4

11.	Tidak mampu memenuhi persyaratan pengajuan pinjaman kepada bank <i>Unable to meet bank requirements for bank loans (e.g. collateral; financial statements)</i>	1	2	3	4
12.	Kurangnya sumber pembiayaan alternatif selain bank <i>Not enough alternative sources of finance other than bank (e.g. through social networks)</i>	1	2	3	4
13.	Kurangnya akses konsumen ke modal <i>Lack of access to finance for customers</i>	1	2	3	4
14.	Tingginya biaya bahan baku dan peralatan <i>High cost of materials and equipment</i>	1	2	3	4
15.	Kurangnya akses ke informasi <i>Lack of access to information (e.g. information about the needs and preferences of the market, source and cost of materials)</i>	1	2	3	4
16.	Kurangnya akses mengikuti pelatihan lanjutan dan program pendampingan <i>Lack of access to continuing training opportunities and/or mentoring</i>	1	2	3	4
17.	Tidak jelasnya peraturan pemerintah <i>Unclear or lack of government legislation (e.g. legislation to become a formal business)</i>	1	2	3	4
18.	Adanya pajak resmi pemerintah <i>Official taxes</i>	1	2	3	4
19.	Adanya pungutan tidak resmi/liar <i>Unofficial retributions/taxes</i>	1	2	3	4
20.	Tingginya tingkat persaingan di bisnis sejenis <i>High level of competition (too many similar business)</i>	1	2	3	4
21.	Tingginya biaya tetap <i>High fixed expenses (e.g. electricity, salary, venue rental, etc.)</i>	1	2	3	4
22.	Terlalu banyak konsumen yang menunggak pembayaran <i>Too many instalment customers late on payments</i>	1	2	3	4
23.	Kurangnya jejaring sosial dan bisnis <i>Lack of social and business networks</i>	1	2	3	4
24.	Kurangnya kemitraan bisnis <i>Lack of business partnership</i>	1	2	3	4
25.	Kurangnya dukungan dari staf pemerintah <i>Lack of support from government staff</i>	1	2	3	4

35. Dari tantangan-tantangan tersebut, mana yang merupakan masalah terbesar bagi bisnis Anda? Adakah tantangan lain yang juga menjadi masalah utama? (Of all the challenges you just talked about, which one is the biggest problem for you? Is there any another challenge that has also been a big problem?)

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36. Ketika Anda menghadapi masalah dalam mengelola bisnis, bagaimana Anda mengatasinya? (When you faced problems in your business in the past, how have you faced these?) [Prompts: For example: approached government agency, approached other sludge removal entrepreneurs, social networks, sludge removal entrepreneur associations, approached NGOs, pay for someone for legal advice, attend training, pay technician – subcontract someone expert/pay for some advice (technology, mgt, financial etc), approached bank, other – specify:....] CATATAN: Inti dari pertanyaan ini adalah menggali level of proactiveness.

Note: enumerator tidak memberikan arahan jawaban (Unprompted response)

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Note: enumerator memberikan arahan jawaban (Prompted response)

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37. Apa yang Anda rasakan berkaitan dengan adanya berbagai dukungan yang membantu Anda (bisnis Anda) menghadapi tantangan/masalah? (How do you feel about the support that has been available to help you when you have faced these challenges?)

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**Bagian IV. Budaya, Gender dan Kewirausahaan (Cultural and gender influences on entrepreneurship)**

38. Jawablah pertanyaan berikut ini dalam skala 1 (rendah) sampai dengan 4 (tinggi) (I'm going to ask you questions and ask you to answer these in a scale of 1 (low) to 4 (high).)

1.	Inovator bisnis memiliki berbagai macam tingkatan status di berbagai negara. Menurut Anda, seberapa tingkat status seorang inovator di Indonesia? <i>Business innovators have different levels of status in different countries. How much status you think they have in Indonesia?</i>	1	2	3	4
2.	Terkait dengan komunitas lokal Anda, pada tingkat manakah status bisnis yang Anda miliki? <i>Now thinking about your local community, what level of status do you think your own sludge removal business has?</i>	1	2	3	4
3.	Setiap negara memiliki nilai yang berbeda antara menjadi wirausaha dibandingkan menjadi pegawai di institusi. Menurut Anda, seberapa besar menjadi wirausaha itu dihargai di Indonesia? <i>Different countries have different values about self-employment as opposed employment in a larger institution. How much do you think self-employment is valued in Indonesia?</i>	1	2	3	4
4.	Setiap negara memiliki nilai yang berbeda tentang pengambilan risiko. Menurut Anda, seberapa besar pengambilan risiko dinilai di Indonesia? <i>Different countries also have different values around business risk-taking. How do you think business risk-taking is valued in Indonesia?</i>	1	2	3	4
5.	Bagaimana pengambilan risiko bisnis dinilai dalam komunitas Anda? <i>And how do you think business risk-taking is valued in your community?</i>	1	2	3	4
6.	Bagaimana pengambilan risiko bisnis dinilai dalam keluarga Anda? <i>How do you think business risk-taking is valued in your family?</i>	1	2	3	4
7.	Terkait perbedaan antara perempuan dan laki-laki di Indonesia, menurut Anda, seberapa mudah bagi seorang perempuan untuk menjadi wirausaha di Indonesia? <i>Concerning differences between women and men in Indonesia. How easy do you think it is for women to become entrepreneurs in Indonesia?</i>	1	2	3	4
8.	Terkait perbedaan perempuan dan laki-laki di komunitas anda, Menurut Anda, seberapa mudah bagi seorang perempuan untuk menjadi wirausaha di komunitas Anda? <i>And now concerning women and men in your community.</i>	1	2	3	4

	How easy do you think it is for women to become entrepreneurs in your community?					
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39. a. Berikan alasan untuk jawaban pertanyaan no.38-7 tentang seberapa mudah perempuan menjadi wirausaha di Indonesia. *Note: tanyakan mengapa menjawab seperti itu.*

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b. Berikan alasan untuk jawaban pertanyaan no. 38-8 tentang seberapa mudah perempuan menjadi wirausaha di komunitas Anda. *Note: tanyakan mengapa menjawab seperti itu.*

*[Note to interviewer: Ask respondent to explain any difference between ratings in question 41-7 and 41-8]*

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**Bagian V. Kepribadian dan Motivasi Wirausaha (Entrepreneurial personality and motivations)**

40. Menurut Anda, orang dengan tipe seperti apa yang akan menjadi wirausaha di bisnis (pembuangan limbah rumah tangga) yang sukses? (Catatan: Keterampilan apa yang harus dimiliki? Pengalaman apa yang dimiliki? Tipe kepribadian seperti apa?) *(What type of person do you think makes a successful sludge removal entrepreneur?) Note: enumerator tidak memberikan arahan jawaban (Unprompted response)*

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a. Kepribadian seperti apa yang dimiliki para wirausaha? *(What type of personality do they have?)*

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b. Keterampilan seperti apa yang dimiliki para wirausaha? *(What skills do they have?)*

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c. Pengalaman seperti apa yang dimiliki para wirausaha? *(What experience do they have?)*

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## 41. Jawablah pertanyaan berikut ini dalam skala 1 (rendah) sampai dengan 4 (tinggi)

(I'm going to ask you questions and ask you to answer these in a scale of 1 (low) to 4 (high).)

1.	Seberapa mudah bagi Anda untuk menemukan peluang bisnis baru? <i>How easy do you think it is for you to discover new business opportunities?</i>	1	2	3	4
2.	Seberapa banyak Anda menilai diri sendiri sebagai seorang inovator? <i>How much do you see yourself as an innovator?</i>	1	2	3	4
3.	Seberapa mudah untuk memperoleh keuntungan/menjaga keberlangsungan bisnis yang Anda jalani saat ini? <i>How easy is to make a profit/maintain a sludge removal business?</i>	1	2	3	4
4.	Ketika Anda memulai bisnis, seberapa yakin Anda bahwa bisnis yang akan dijalankan ini berhasil? <i>When you started this business, how certain were you that it was going to be success?</i>	1	2	3	4
5.	Seberapa yakin Anda saat ini akan keberhasilan bisnis Anda di masa depan? <i>How confident are you of the future success of your business now?</i>	1	2	3	4
6.	Seberapa besar komitmen Anda untuk melanjutkan bisnis pembuangan limbah rumah tangga ini di masa depan? <i>How committed do you feel to continuing your sludge removal business into the future?</i>	1	2	3	4
7.	Dalam bisnis Anda, seberapa banyak Anda mengikuti model/ide yang sama dengan pelaku bisnis sejenis? <i>In your sludge removal business, how much do you follow the same model/ideas as others?</i>	1	2	3	4
8.	Seberapa sering Anda telah mencoba ide baru untuk produk dan layanan bisnis ini (yang menjual produk/layanan sanitasi)? <i>How often have you tried new ideas for your services and products in your sludge removal business?</i>	1	2	3	4
9.	Menurut Anda, seberapa penting pengambilan risiko dalam sebuah bisnis? <i>How important do you think it is to take risks in a business?</i>	1	2	3	4
10.	Seberapa yakin Anda mampu memperoleh pinjaman dari bank? <i>How confident do you feel to get a loan from a bank?</i>	1	2	3	4
11.	Seberapa tinggi kepercayaan diri Anda sebagai seorang wirausaha? <i>What is your level of confidence in yourself as an entrepreneur?</i>	1	2	3	4
12.	Menurut Anda, seberapa berbahaya mengambil risiko di bisnis ini (yang menyediakan jasa pembuangan limbah rumah tangga)? <i>How dangerous do you think it is to take risks in the area of sludge removal business?</i>	1	2	3	4

42. Apakah Anda pernah mengembangkan produk atau layanan baru bagi konsumen Anda? Berikan contoh. *(Have you developed new products or services for your customers? Can you give some examples?)*

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43. Apakah ada manfaat lain dari berkecimpung di bisnis ini (menjual produk/layanan sanitasi) selain keuntungan? Apakah itu? Jelaskan. *(Have there been some other benefits for you of being involved in this business other than profit? What have these been?)*

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44. Apakah Anda melihat diri sendiri sebagai seorang wirausaha yang murni berbisnis, memberikan pelayanan sosial, atau keduanya? Mengapa Anda mendeskripsikan diri seperti itu? *(Do you see yourself as running a business or providing a social service or both? Why do you describe yourself this way?)*

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45. Dalam 2 tahun mendatang, apa yang Anda lihat untuk bisnis Anda? Seharusnya seperti apa? Apa yang akan Anda lakukan/selesaikan? *(In 2 years from now, where do you see your business? What should it look like? What will you have accomplished?)*

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46. Mengapa masa depan bisnis Anda seperti yang telah Anda deskripsikan penting bagi Anda? *(Why is this future you've described for your business important to you?)*

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TERIMA KASIH *(Thank you)*