



ECONOMIC EMPOWERMENT STRATEGY OF THE YOUNGER GENERATION THROUGH DIVERSIFICATION OF MULTIPLE BUSINESS BUSINESSES IN INCREASING ECONOMIC GROWTH IN UTAMA RAYA BEACH, SITUBONDO

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ABSTRACT

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This research discusses economic empowerment strategies for the younger generation in Situbondo district. In this contemporary era, the problems faced by the younger generation, especially in Situbondo regency in finding work, have become an increasingly deep and troubling issue. This is related to the lack of skills possessed by the younger generation who incidentally are in the Pantura area and consider that the profession as a fisherman is not in accordance with the lifestyle of the younger generation today. This factor causes the younger generation to face difficulties in finding jobs that suit their wishes. Another factor that contributes to this problem is the lack of employment because it is included in the Pantura Area. Utama Raya Beach stands with business diversification, including gas stations, rest areas to lodging utilizing sea destinations on the north side of its business place.

The purpose of this study is to explain the strategy of empowering the younger generation in improving the economy in Situbondo district and knowing the new business model through multiple business differentiation. The research methods used include surveys, interviews, and secondary data analysis to get a comprehensive picture of millennials' economic empowerment and the challenges they face.

The results of this study show that the multiple business-based business diversification strategy has succeeded in attracting the interest of the younger generation because the business offer from the management has succeeded in attracting the interest of the younger generation in Situbondo

DOI:

INTRODUCTION

BACKGROUND

Economic empowerment as an effort to provide control, access, and opportunities for individuals or groups to take an active role in economic processes. Economic empowerment aims to give them the ability to achieve financial independence, reduce poverty rates, and improve overall welfare.

Furthermore, the multiple business approach as an effective strategy in achieving economic empowerment by applying business differentiation, namely business diversification to avoid dependence on the singleness of activities, products, services, or investments so as to allow attracting interest for applicants in accordance with the diversification offered.

By owning more than one business, individuals or groups can take advantage of different market opportunities, reduce the risk of high losses, as well as increase revenue potential. In addition, multiple businesses also encourage innovation and creativity, as different business activities provide opportunities to develop diverse skills and knowledge.

The benefits of implementing multiple business-based economic empowerment strategies strengthen business resilience, reduce dependence on one source of income, and create a more stable foundation for long-term economic growth. In addition, this approach can help address the problem of social and economic inequality by creating economic opportunities for different groups of people. However, there are also challenges that need to be overcome in implementing multiple business-based economic empowerment. One of them is the complexity of managing several businesses efficiently and effectively. Careful management and careful risk assessment are needed so that all businesses can run sustainably.

This study also illustrates real case examples from various regions or countries where the implementation of multiple business strategies has succeeded in increasing community economic empowerment. This case study provides examples of best practices that different communities can adopt to achieve economic empowerment goals.

In the era of globalization and the rapid development of information technology, the business world is experiencing significant changes. Business traditions that only focus on one business field are increasingly rare. Instead, there is a trend of implementing multiple business, which is a business strategy in which an individual, company, or group manages more than one business or line of business simultaneously. Multiple Business-based economic empowerment is an approach that aims to empower the community

through business development and diversification involving various sectors and business fields. This approach recognizes the potential and economic diversity that exists in society, and utilizes it as a resource to create jobs, increase incomes, and improve welfare.

Multiple Business-based economic empowerment is a change in the dynamics of the global economy and increasingly fierce competition. In the era of globalization, people must be able to adapt to changes and have skills that are relevant to market needs. Multiple Business-based economic empowerment is also inspired by the need to reduce dependence on single or limited economic sectors. By developing various types of interrelated businesses, communities can reduce the risk of failure and increase opportunities in the face of economic change.

In addition, Multiple Business-based economic empowerment also focuses on social inclusion and empowerment of vulnerable groups, such as women, young people, and marginalized community groups. By providing equal access and opportunities for all parties, Multiple Business-based economic empowerment can help reduce economic tensions and increase social justice. In an evolving global context, Multiple Business-based economic empowerment is important to create a resilient, creative, and competitive society. By utilizing the potential and diversity of the existing economy, Multiple Business-based economic empowerment can provide long-term benefits for the community in achieving sustainable and inclusive economic growth. The application of multiple business is not only limited to large companies, but can also be applied by small and medium enterprises, as well as individuals with an entrepreneurial spirit. However, keep in mind that success in managing multiple businesses requires careful management, in-depth market analysis, and a high commitment to maintain the quality and sustainability of each business run.

Utama Raya Beach Includes business places that are categorized as Multiple Business because they have several business sectors including, Gas Stations, Cafe, Minimarkets, Beach Tourism, Cottages etc.

With the existence of many business sectors, the involvement of adolescents is prioritized because adolescents have high fighting power, great work motivation and fresh minds.

RESEARCH METHODS

In a scientific work, a method is needed so that the scientific work made is more terterah, with the existence of this method will direct a research to more optimal results. The research used in this thesis is:

A. Research Methods

1. Approaches and types of research

This study used a qualitative descriptive approach. Descriptive qualitative is a method in approaching a study by describing and describing the state of the object and subject of research based on a fact that appears or as it is, namely how diversification efforts are carried out to increase economic growth in Utama Raya Beach, Situbondo Regency.

2. Research instruments

In qualitative research, the instrument or research tool is the researcher himself. Therefore, researchers as an instrument go directly into the field to find out and describe the results of empowerment carried out through business diversification

3. Data Sources

The data source is the subject from which the data is obtained. There are two sources of data in this study, namely:

a. Data primer

Primary data is data obtained and obtained directly by researchers from the place of research, namely with the source of the owner and person in charge of Utama Raya Beach

b. Data seconds

Secondary data is data obtained from other parties that have been in the form of finished data and usually have been published, the data is in the form of books and documents related to this research.

B. Research Approach

This research approach is a case study research that focuses on efforts to empower the economy of adolescents in Utama Raya Beach through the diversification and uniqueness of this research locus that is far from the city center, shopping centers and from the community. The research time was carried out for about one month in October 2023 at Utama Raya Beach.

C. Stages of Research

1. Data Collection Techniques

a. Interview

Interview is a data collection technique that takes place through a communication between two or more people in the form of a number of questions between the questioner (interviewer) to the interviewee (source) to obtain accurate and reliable information, in this case the interviewee (source) is the person in charge of Utama Raya Beach

b. Observation

Observation is one method of collecting data by observing or reviewing directly at the research location to find out directly how conditions occur or prove the truth of a research design, observation is carried out by a research team whose duty is to confirm to employees or related employees

c. Documentation

Documentation is a data collection technique that aims to obtain documents using accurate evidence that can be obtained from books, essays or writings, laws and so on

2. Data Analysis Techniques

Data analysis is the process of compiling data that has been obtained from interviews, observations and also from documentation, choosing what is important to learn and making conclusions so as to facilitate understanding of

oneself and others. This method uses descriptive qualitative methods that aim to describe what is happening in the field, then adjust between theories and findings.¹

3. Data Validity Verification

To determine the validity of data requires examination techniques based on a number of certain criteria, there are four criteria, namely the degree of trust (credibility), transferability (transferability), dependability (dependability), and also certainty (confirmability).

DISCUSSION

A. Discussion

1. Economic Empowerment

a. Economic Empowerment Concept

Conceptually, empowerment or empowerment (empowerment), comes from the word "power" (power or empowerment). Therefore, the main idea of empowerment is in contact with the concept of power. In other words, the likelihood of an empowerment process depends on two things²

- 1) That power can change. If power cannot change, empowerment is impossible in any way.
- 2) That power can be expanded. This concept emphasizes the notion of power that is not static, but dynamic.

According to Sumaryadi quoted by Zaili Rusli, et al³ stated that empowerment is gaining the power to make their voice in by contributing to planning and decisions that can influence a person to use expertise in the workplace to improve the performance of that person and the performance of the entire organization.

In addition, there are those who argue that community development and empowerment is an effort to change a situation or condition of a community whose standard of living is very low to a better condition in the economic, socio-cultural and political sense.⁴ Economic empowerment can produce a prosperity, where welfare is the dream of every person and every country. The living conditions of society and a prosperous state become something idealized.⁵

According to Sumodiningrat, community empowerment is an effort to establish communities through the realization of the potential abilities they

¹ H.M Subana, Basics of Scientific Research, (Bandung :CV Pustaka Setia, 2005),89

² Edi Suharto, Building a Community Empowering the People: A Strategic Study of Social Welfare Development and Social Work, (Bandung: Refika Aditama, 2014)., p. 58

³ Zaili Rusli, et al, Empowering the Poor through the Savings and Loans Village Economic Business Program (UED-SP), Journal of Public Policy, Vol. 3 No. 2, (Pekanbaru: Universitas Riau, 2012)., p. 69

⁴ Moh. Ali Aziz, Rr Suhartini, A. Halim, Dakwah Pemberdayaan Masyarakat : Paradigma Aksi Metodologi, (Yogyakarta: PT Lkis Pelangi Aksara, 2009)., hlm. 72

⁵ Soetomo, Wellbeing and Efforts Creating It in Local Community Perspectives,(Yogyakarta: Student Library, 2014)., p. 1

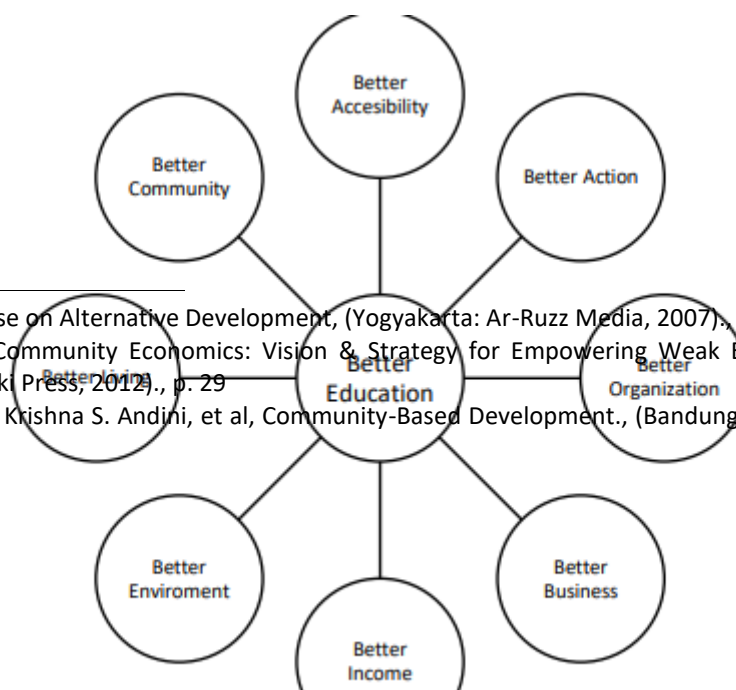
have, this means that people are empowered to see and choose something that is beneficial for themselves. Using this logic, it can be said that an empowered society is one that can choose and has the opportunity to make choices.⁶

According to Samuel Paul, economic empowerment of the community requires active and creative participation. According to him, active and creative participation is expressed as participation which refers to an active process by which the target group can influence the direction and implementation of development projects rather than simply receiving a share of project profits.⁷

The concept of economic empowerment has been tried to be applied through the implementation of a national poverty reduction program based on impress No. 5 of 1993 which later became known as the IDT program. All efforts are directed towards prosperity. Prosperous in the material sense that all human needs can be fulfilled and there is a balance of needs with satisfying needs, many causes of different levels of prosperity of a country or society. Thus, according to the author, the definition of community economic empowerment is an effort to build community power in the economy, especially by encouraging, motivating, and exploring the potential possessed so that conditions will change from helpless to empowered with the realization of concrete actions to increase the dignity and dignity of the economy and escape from poverty and backwardness.

b. Community Empowerment Goals

The various empowerment objectives include various improvement efforts, as follows:⁸



⁶ Zubaedi, Discourse on Alternative Development, (Yogyakarta: Ar-Ruzz Media, 2007), pp. 41-42

⁷ Abdul Bashith, Community Economics: Vision & Strategy for Empowering Weak Economic Sectors, (Malang: UIN Maliki Press, 2012), p. 29

⁸ Aprillia Theresia, Krishna S. Andini, et al, Community-Based Development., (Bandung: Alfabeta, 2014), p.153

Figure 1. Community Empowerment Goals

In the picture above, it is known that the purpose of community empowerment is basically formed from the purpose of improving education and will have a positive impact on other improvements, such as institutional improvements, business, income, environment, life and society. Thus, it will improve the living conditions of every family and community and will realize a better community life.

There are 3 main objectives in community empowerment, namely developing community capabilities, changing community behavior, and protecting the community:

1) Developing community capabilities

Creating an atmosphere that allows the potential of the community to develop. Here the starting point is the recognition that every human being, every society, has a potential that can be developed. That is, no society is completely powerless. Empowerment is an effort to build that potential, by encouraging, motivating, and raising awareness of its potential and striving to develop it

2) Changing people's behavior

Strengthening the potential or power of the community. In this order more positive measures are needed, apart from just creating climate and atmosphere. This strengthening includes concrete steps, and involves providing inputs, as well as opening access to opportunities that will empower communities. In the framework of this empowerment, the main efforts are improving the level of education, and health degrees, as well as access to sources of economic progress.

3) Protection of society

Empowering also means protecting. In the process of empowerment, the weak must be prevented because of their lack of empowerment in the face of the strong. Therefore, protection and favoring the weak are fundamental in the concept of community empowerment. Protecting does not mean isolating or masking from interaction, because doing so dwarfs the small

and neglects the weak. Protecting should be seen as preventing unequal competition and exploitation of the strong over the weak. Community empowerment does not make people more dependent on various social funding programs. The main approach in the concept of empowerment is that communities are not made objects of various development projects, but are subjects of their own development efforts.⁹

Community empowerment also aims to motivate and facilitate people to improve themselves, their communities and their environment in achieving their goals. Meanwhile, according to Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises, article 5 of the empowerment objectives are: (a) realizing a balanced, developing and equitable national economic structure, (b) growing and developing the ability of micro, small and medium enterprises to become resilient and independent businesses, and (c) increasing the role of micro, small and medium enterprises in regional development, job creation, income equality, economic growth, and alleviation of people from poverty.

c. Community Economic Empowerment Strategy

There are 5 community empowerment strategies that can be done in carrying out community empowerment, especially through training and advocacy for the poor, namely:¹⁰

1) Motivation

In this relationship, each family must be able to understand the value of togetherness, social interaction and power through understanding its rights as citizens and members of society. Therefore, every household needs to be encouraged to form groups which are an important institutional mechanism for organizing and implementing community development activities in the village. This group is then motivated to engage in income-raising activities using their own resources and capabilities.

2) Awareness raising and ability training

Increasing public awareness can be achieved through basic education, health improvement, immunization, and sanitation. While vocational skills can be developed through participatory means. Local knowledge that is usually acquired through experience can be combined with outside knowledge. This kind of training can help poor people to create their own livelihoods or help improve their skills to find work outside their territory.

3) Self-management

Each community group must be able to elect their own leaders and organize their own activities, such as conducting meetings, recording and reporting, operating savings and credit, conflict resolution and community ownership management. In the early days, outside assistants can assist them in developing a system. The group can then be given full authority to implement and govern the system.

⁹ Edi Suharto, CSR and COMDEV Creative Investment Company, (Bandung: Alfabeta, 2010)., p. 67

¹⁰ Totok Mardikanto, Poerwoko Soebiato, Community Empowerment, (Bandung: Alfabeta, 2012)., p. 170

4) Resource Mobilization

To mobilize community resources, it is necessary to develop methods for pooling individual resources through regular savings and voluntary donations with the aim of creating social capital. This idea is based on the view that everyone has their own resources which, if collected, can improve socioeconomic life substantially. The development of a system of collecting, allocating and using resources needs to be done carefully so that all members have equal opportunities. This can guarantee ownership and management on an ongoing basis

5) Network Building and Development

The organization of non-governmental groups needs to be accompanied by increasing the ability of its members to build and maintain networks with various social systems around it. These networks are critical in providing and developing access to resources and opportunities for the empowerment of the poor.

M Umar Chapra admitted that to change the paradigm of people's economic empowerment is not an easy thing. This requires a number of revolutionary changes in the socio-economic environment. According to him, there are six steps to support the upholding of the people's economy:¹¹

First, a change in lifestyle patterns in the orientation of love for domestic products *and* utilizing labor abundantly. *Second*, changes in attitudes and policies officially in favor of the people's economic efforts so that the people's economic efforts are not issued. *Third*, people's economic units must be empowered through assistance in obtaining better economic inputs, appropriate technology, effective marketing techniques and other extension services. *Fourth*, people's economic business units must also be empowered to improve skills through training. *Fifth*, given the opportunity to access funding sources.

Empowerment is not just giving authority or power to the weak. In empowerment, the meaning of the educational process is contained in improving the quality of individuals, groups, or communities so that they are able to be empowered, have competitiveness, and are able to live independently.

The implementation of the process and the achievement of empowerment goals are achieved through the application of an empowerment approach which can be abbreviated to 5P, namely:¹²

- 1) Probability: creating an atmosphere that allows the potential of the community to develop optimally. Empowerment must be able to free the community from cultural and structural barriers that hinder.
- 2) Strengthening: strengthening the knowledge and ability of the community in solving problems and meeting their needs. Empowerment must be able

¹¹ Muhammad, Prinsip-Prinsip Ekonomi Islam, (Yogyakarta: Graha Ilmu, 2007)., hlm. 109

¹² Edi Suharto, Building a Society Empowering the People: A Strategic Study of Social Welfare Development and Social Work., p.67

to develop all the abilities and confidence of the community that supports their independence.

- 3) Protection: protect society, especially weak groups, from being oppressed by strong groups, avoid unequal competition between the strong and the weak, and prevent the exploitation of strong groups against weak groups. Empowerment should be directed at eliminating all kinds of discrimination and domination that do not benefit the small people.
- 4) Support: providing guidance and support from the community able to carry out their roles and life tasks. Empowerment must be able to support the community so that it does not fall into a situation or position that is increasingly weak and marginalized.
- 5) Maintenance: maintaining conditions conducive to maintaining a balance of power distribution between various groups in society. Empowerment must be able to ensure harmony and balance that allows everyone to have business opportunities.

d. Empowerment Indicators

Indicators of the success of community empowerment as a process are often taken from the purpose of empowerment which shows the situation or results to be achieved by a social change, namely: poor people who are empowered, have power or have knowledge and ability to meet their needs both physically, economically, and socially such as having self-confidence, being able to convey aspirations, having a livelihood, participate in social activities, and be independent in carrying out their life tasks.

While the program success indicators used to measure the implementation of programs of a community empowerment are as follows:¹³

- 1) Reduced number of poor people.
- 2) The development of income improvement efforts carried out by the poor by utilizing available resources.
- 3) Increased public concern for efforts to improve the welfare of poor families in their neighborhoods.
- 4) The increasing independence of the group is characterized by the development of productive efforts of members and groups, the stronger the group's capital, the tidier the group's administrative system, and the wider the group's interaction with other groups in society.
- 5) Increasing community capacity and income equality marked by an increase in the income of poor families who are able to meet basic needs and basic social needs.

It can be concluded that from the indicators above, the so-called community is empowered, if the community is able to meet its own needs and is able to prosper the surrounding community.

2. Business Diversification

¹³ Gunawan Sumodiningrat, Community Empowerment and Social Safety Network, (Jakarta; Gramedia Pustaka Utama, 1999)., p. 29

a. Definition of Business Diversification

Diversification is an effort to develop new markets or products in order to increase the number of sales and the level of profitability.¹⁴ This diversification can be done in several ways, such as adding business units, creating a variety of new products, expanding market share or even acquiring new businesses or competitors' businesses.¹⁵

Meanwhile, what is meant by business diversification is part of the process of developing a new business, whether the business is interrelated (related business) or a business that is not interrelated (unrelated business) with the main business of the business organization.¹⁶

Business diversification is needed to get maximum results. A business that carries out business diversification assumes that with the diversity of business types owned optimistically will be able to improve the financial performance of the organization's business. Business diversification is divided into two levels, namely the business unit level and the own business level. Diversification at the business unit level means part of the development of the main business by developing or opening new business units.

In general, the application of diversification strategies in a business is still always a debate and is often used as an object of research, especially in relation to the influence that has a positive or even negative impact on increasing the value of an organization.

However, the application of diversification has several advantages, including being able to expand the advantages of special assets owned by a business as well as other benefits, including brand recognition, management skills, customer loyalty, and technological innovation which are all part of a business's resources.

Inherently, the level of risk in implementing business diversification can be greater when compared to product development strategies. Business diversification is required to have skills and have attractiveness to market segments as well as effective and mature planning related to operational strategies, marketing to finance.

Unlike the case with product development strategies carried out by a business that is only oriented towards increasing product innovation, either through resources or technology owned. For this reason, a business in implementing a product development strategy, must have a careful calculation so as to minimize the level of risk to be obtained.

The calculations in question include; Risk assessment carried out transparently, access to capital and willingness to invest, clear expectations of

¹⁴ Fandy Tjiptono, *Marketing Strategy* (Yogyakarta: CV. Andi Offset, 2008), 202.

¹⁵ Asih Dianita Lestari, —The Effect of Diversification on LQ-45 Company Value on Indonesia Stock Exchange,|| *Accrual* 6 (2015): 166–175

¹⁶ I. A., Sari, A. Wiranto, and E. Suyono, —The Effect of Diversification Strategy and Corporate Characteristics on Company Performance,|| *Journal of Auditing, Finance, and Forensic Accounting* Vol. 2, no. 1 (2014): 13-22.

future income, and the right balance between risk and profit that will be obtained because it will affect the value of an organization.

The concept of *internal capital market* or corporate socialism is one point of view that supports the application of diversification. The implication is that if the capital owned by a business organization can be allocated to different business units, it is considered more efficient than having to seek additional funds from outside.

There are three reasons why an organization diversifies, namely; First, diversification strategies when viewed through the lens of market power theory can increase market share and reduce competition, thus positively impacting company performance.

As a company grows into a large industry, its market share also grows resulting in a higher level of concentration in that industry. As a result of the company's dominance, market competition is reduced.

Second, diversification strategies when viewed from a resource point of view, for example in terms of utilizing resources owned by business organizations. The strategy is carried out when the resources and capabilities of the organization are not used optimally and are only used in one line of business.

b. Objectives and Benefits of Business Diversification

The purpose of implementing business diversification includes two aspects, namely internal and external aspects. The purpose of implementing diversification in internal aspects is to increase the number of sales volumes, maintain stability, increase credibility, increase business competitiveness, and maximize the use of production resources owned. The purpose of the external aspect is to meet consumer needs and satisfaction, and maintain customers so as not to get bored with existing products.¹⁷

In addition to the above objectives, some of the objectives of business diversification include the following, namely:

1) *To seek growth and capture value added*

Every business that is run aims to continue to experience growth and can provide added value to the business. This can be achieved by investing in business sectors that can provide benefits, for example by acquiring businesses that have strategic resources such as suppliers who provide the main raw materials or distributors who already have extensive distribution channels. Revenue growth is predicted to be driven by business diversification through acquisitions like this. The corporation earns indirect income through the acquired company, which adds value to the transaction

2) *To spread risk*

Another important goal is that by investing in multiple businesses, the risk of one business does not have a full impact on the company because it can

¹⁷ P. Harto, —Corporate Diversification Policy and Its Impact on Performance: An Empirical Study on Public Companies in Indonesia|| (Solo: National Symposium on Accounting VII, 2005)

be offset by other companies. Companies that specialize in one line of business only see the advantages of that line of industry. Companies that carry out various activities will reap benefits from many sources and will be able to cover the risks of other companies. This is possible because each company has its own set of risks and rewards.

3) *To prevent a competitor from going ground*

Exploitation of competitors can be avoided by mastering strategies within the organization with resources that can provide extra value.

4) *To achieve synergy*

Synergy is defined as the ability to achieve something by combining business divisions that would not be possible if the segments worked independently.

5) *To control the supplier or distribution chain*

In a related business diversification strategy, mastery of suppliers and distributors can make it easier for organizations to control costs and quality in order to compete. Internal capital control will give the corporation greater control over the things it produces.

6) *To fulfill the personal ambition of the senior managers*

The satisfaction of the desires of the manager himself is related to the rewards to be obtained. Managers are awarded rewards based on the breadth of their responsibilities. The scope of responsibility of managers will be expanded in organizations that implement diversification strategies.¹⁸

While the benefits of implementing diversification include the following:

- a) Can increase the competency value of a business. The point is, a business if you want to accommodate new ideas can be realized by diversifying without having to establish a new business, so there is no need to spend high costs
- b) The application of diversification can also add to company profits as well as tax incentives. This is because the condition of cash flow in the future cannot be ascertained.
- c) Managerial risk can also be reduced by the application of diversification. Because the risk is shared with other companies so that the company's risk is reduced.

c. *Business Diversification Strategy*

Diversification is a strategy used by a *top executive* who aims to increase business growth by opening a new business in order to get more profits.

Diversification strategies have three types, namely; concentric (focused), conglomerate and horizontal. Diversified strategies became popular from the 1960s to the 1970s. In its development, in the 1980s the popularity of the

¹⁸ Harberg and Rieple, —Diversification's Effect on Firm Value,|| Journal Of Financial Economics 37, dalam Kusmawati, 2005 (2003): 39–65.

diversification strategy decreased. This is because an organization has difficulty in managing different businesses.

The use of diversification strategies is considered more appropriate when used in a business that is considered as something less attractive and few enthusiasts. Here are some illustrations of various diversification strategies:

1) Concentric Diversification

Concentric diversification (*consentric diversivication*) is adding new products or services that still have something to do with the previous business. This strategy can be pursued by utilizing the same technology as computer companies (monitors for example) diversify their business by producing televisions. Televisions and computers have The same technology, but the market share is different.

The purpose of implementing this strategy is to create and expand the company's core resources, capabilities, and competencies so as to achieve a level of strategic competitiveness. The emphasis of implementing a concentric diversification strategy lies in some similarities of products, markets or technologies.

In concentric diversification strategies, there are several guidelines that are considered effective related to when the strategy should be used, including:

- a) When an effort competes in an industry that is slow.
- b) When adding related new products, then it can significantly increase sales.
- c) When relevant new products can be offered in competitive prices.
- d) If the new product is related but the time of sale is seasonal.

2) Diversification of Conglomerates

Conglomerate diversification refers to the addition of new products or services that are not related to the previous business, either in terms of technology, product or market share.

Conglomerate diversification is carried out by a business because it considers that the new business it runs has a good profit pattern. Because one of the emphases of implementing the strategy lies in profit considerations.

In a conglomerate diversification strategy, there are several guidelines that are considered effective related to when the strategy should be used, including:

- a) When the sales and industrial profits of a business decrease.
- b) When a company has the financial and managerial resources to compete with a new industry.
- c) When a company gets the opportunity to buy a completely unrelated company that is seen as a good investment.
- d) When there is synergy in financial terms between the seller's and buyer's business
- e) When the segment of sales of such products begins to saturate.

- f) When with only one industry, it is considered as a business that implements a monopoly system and runs alone.
- 3) Horizontal Diversification

Horizontal diversification is offering a new product or service to the same consumer that is unrelated to the previous product or service.

The risk in this strategy is not as big as the risk faced by the conglomerate's diversification strategy because a business is more familiar with its customers.

In horizontal diversification strategies, there are several guidelines that are considered effective related to when the strategy should be used, including:

- a) When a business adds new, unrelated items, the revenue earned from the existing product or service will increase dramatically.
- b) When a business competes in a highly competitive or non-growing market. This can be seen from the industry's low profit results and margins.
- c) When the distribution channels of the current undertaking can be used to advertise new products to customers.

When the sales pattern of a new product has a reverse cycle when compared to the current business.¹⁹

B. Result

- 1. Diversification Model in Utama Raya Beach
 - a. Business Concentric Diversification

To maximize profits, business diversification needs to be done. Businesses that implement this strategy will be able to improve performance with the best choice of business forms available. As the business managed by Hj. Taufik Balafif, they apply a concentric diversification business strategy, a strategy to add new products or services that still have something to do with the previous business, including cafes with nuances like in Dubai. People around gave the nickname "Dubai Van Java" because of its similar building concept. The rest area, which has the name Utama Raya Beach, from the outside looks just like an ordinary gas station. However, when you go deeper, there are several inns as well as cafes located on the north beach. For the food provided there are various dishes. Starting from foods such as seafood, pizza, kebabs, burgers, meatballs, chicken noodles, various snacks, to various types of drinks. There are also marine watersports namely speedboats, banana boats, jet sky and other rides provided by Utama Raya Beach management, with an average rate of Rp45,000 per person. Not only that, the area also has large parking area facilities, prayer rooms, 80 toilets, restaurants, cafes, supermarkets, and lodgings that are quite luxurious and comfortable.

¹⁹ Fred R. David, Strategic Management: Concepts and Cases, 238–239

b. Diversification of Venture Conglomerates

A conglomerate diversification strategy is a strategy by adding new products or services that are not directly related to the previous venture. In this case, what is done at Utama Raya Beach is to add services, namely the Royal Ballroom which is located at the back facing directly towards the beach. Royal Ballroom is a multipurpose building that has a very luxurious building and beautiful design like in a kingdom. This building can be used for meeting events such as meeting rooms and also indoor weddings or wedding rental venues in the building. The building is also still in progress and is expected to be completed by early this year.

2. Empowering the Young Generation

The younger generation in question is teenagers who come from around Utama Raya Beach mapped into several parts based on age, namely those aged between 17-25 years. The teenager was chosen because he has a different difference from older people in terms of performance.

Human resources are resources found in a person. Usually, these resources are used in the production of commodities or services, with humans who can produce a good it will produce greater prosperity for humans. Humans have energy, expertise, and personality that can be used as resources. The better the human resources used in a business,

With business diversification, it makes it easier to map human resources based on the abilities or *skills* possessed by each. And diversification makes it easier for managers to monitor businesses that are growing faster than other businesses.

Workers are placed based on their abilities. But if it is considered that there are enough workers in a place, it will be placed according to the capacity of workers who are lacking. So it all depends on the decision of Utama Raya manager himself.

3. Tipologi Community Development

According to Kartasasmita, the empowerment process is divided into three aspects, namely *enabling*, *empowering* and *maintaining*. Community empowerment is not to change the community to rely more on programs in the form of charity. For this reason, the ultimate goal of community empowerment is for the community to become independent and increase the capacity of the community to be even better.

The process of community economic empowerment through conglomerate diversification First, provides an environment where community potential can be realized (*enabling*). In this case, the potential of adolescents can be maximized if there is a supportive environment in economic empowerment. One of the ways that alumni do is to provide encouragement (*encourage*), motivate and raise awareness (awareness) about the potential contained in employees and work on

how to develop their potential. The encouragement and awareness given by alumni is carried out at all times when there is interaction with employees and the community.

Second, strengthening community potential (*empowering*). The diversification of conglomerates presents challenges to adolescents to provide new job opportunities through providing *inputs* such as providing mentoring and training assistance, internships and access to resources that can be used as opportunities to empower the community.

Third, provide protection for people who are considered weak (*Maintaining*). The goal is that competition is formed in a balanced manner so that the community is not always dependent on charity. Any strategy to diversify a conglomerate by adding businesses and products that are different from previous businesses requires protection of its value and undeveloped potential.

CONCLUSION

- a. The importance of HR empowerment is also reflected in collaboration between businesses. The exchange of knowledge, resources, and business opportunities can create an ecosystem that supports each other and strengthens mutual competitiveness. *Multiple Business* Diversification in Utama Raya Beach , Situbondo Regency is carried out by creating new types of businesses that are similar and of different types to accommodate the skills possessed by the younger generation around Utama Raya Beach with a business concentric diversification model and business conglomerate diversification.
- b. How is the Strategy of Economic Empowerment of the Young Generation through Business Diversification *Multiple Business* in increasing economic growth in Utama Raya Beach, Situbondo Regency is carried out by creating new types of businesses that are similar and of different types to accommodate the skills possessed by the younger generation around Utama Raya Beach so that empowerment of human resources is easier to do with increased economic growth

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