

# **Analysis of Factors Influencing the Growth of the Furniture Industrial Clusters in Klaten (Case Study: Furniture Industrial Clusters in Serenan and Mireng)**

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## *Abstract*

*Since the implementation of regional autonomy in Indonesia, development of potential local or regional is a new orientation for regional development. Through the cluster approach, it is expected to provide services to SMEs in order to more focused, collaborative and efficient business activities. Klaten is chosen as research target because of Klaten is the second largest cluster furniture after furniture industrial cluster in Jepara that have the potential export-oriented furniture clusters and still need to be given attention in the development process. Furniture industrial cluster in Serenan and Mireng are taken as samples because both of clusters has a large number of business units, a large amount of labors, and a volume of sales, and so that can represent 33 furniture clusters in Klaten district. Generalized, viewed from a variety of indicators of industry, furniture business in Klaten Regency in 2000-2004 has been decreasing. The decline in growth rates show that industrial cluster furniture in Klaten is still inability to develop their business in dealing the problems that hamper the performance of the furniture business. This also shows that the industrial cluster furniture in Klaten less able to compete with the industrial cluster furniture in other areas.*

*The purpose of this study is to analyze the condition of the furniture industry cluster Klaten and the factors that influence the growth of the furniture industry cluster Klaten. Thus, this research can provide solutions to strengthen the growth of the furniture industry cluster in Klaten and for continuing for grow and survive the threats and challenges that continue through increased innovation, creativity, both in terms of product diversification and marketing in the global competition.*

*This Research Refers to field studies and develop with literature studies with reference to previous studies about the factors that influence the growth of SMEs. Researchers will be built a new research model that will be used to analyze empirically about the growth of the furniture industry cluster in Klaten. This model will analyze the influence factor of networking, capital, marketing, role of government, and entrepreneurship to the growth of the furniture industry cluster Klaten. This research used analysis method Partial Least Square (PLS) through a second order approach.*

*Data processing showed that the factors that most influence the growth of the furniture cluster in Serenan are networking, capital, marketing, and entrepreneurship. While the factors that affect growth in the Furniture Cluster Mireng, among other networking, capital, marketing, role of government, and entrepreneurship.*

***Kata Kunci : Factor Analysis, Cluster Growth, Industrial Cluster Furniture Klaten, Partial Least Square (PLS)***