

THE NEED FOR TRANSFORMATIONAL LEADERSHIP  
IN UTILIZING ABANDONED MINING HOLES  
AS BUSINESS OPPORTUNITY

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Abstract

Indonesia is known as a mine-producing country, but only a few of its products can be enjoyed by the surrounding society. Facts show that a lot of abandoned mining holes are deserted like useless garbages. Transformational leadership is expected to change negative thought patterns into positive ones with the paradigm 'garbage is not always useless'. Transformational leadership should be applicable ( in utilizing abandoned mining holes by educating the society and colleagues in order that the disused mine area can be productive as independent business opportunity into the nation's prosperity.

Key words: Transformational Leadership, Abandoned Mining Hole, Business Opportunity.

## A. INTRODUCTION

The glory of Indonesia's tin that was famous in the past left disused holes of tin mining, which were called in Belitung language as 'kulong' or widely known as 'lake'. Kulong, the abandoned tin mining holes, have occurred since tin mining started, and were spread almost in all sub-districts in Bangka Belitung province, in which the mines are located in the middle of forest and even near the sub-district center.

Mine certainly gives positive and negative impacts on the local area, and so does the tin mine. According to Latief (2010), positive impact of tin mining is on the society's economic life. If the result is good, a unit of unconventional mine (UM) can get 4 millions rupiah in a day. Workers get high wage, reaching Rp 150.000 per day. Even children collecting the remains of tin sand can earn Rp 40.000 in a day. The amount of money resulted from unconventional tin mining is very big, so it directly affects the society's economy. The citizen can buy goods in big amount so that retail trade develops fast, which promotes the economy growth. The abandoned mining holes are deserted just as they are. Negative impact of the mining holes includes the damage of biotic environment. Damage to forest from mines cause severe drought in some areas in the dry season. Miners keep mining the tin by stealth in the forbidden areas. Unconventional mines also damage river basins, coastal areas, conservation forest, and production forest. The abandoned mining holes are barren because they are not reclaimed.

A leader having visions will change someone's negative idea into positive idea stating that the mining holes are very necessary for the prosperity in the future and the continuity of the next generation. Nowadays transformational leader is suitable to overcome the leadership crisis in some leadership theories that have been learned. Transformational leadership is firstly suggested by John McGregor Burns, and if it is related to Belitung island, a transformational leader will think positively; for example, he can invite the tourist to come, enjoy the scenery, and do research. It should be admitted that the increasing tourism will indirectly change the local economy life (Andriyansah, 2012). The abandoned tin mining holes, which prove that men do not care with environment, are probably

considered as unprofitable. A leader with visions will assume that garbage is not always useless, but it can be a blessing to increase the society's prosperity.

## B. DISCUSSION

Belitung, which local society call as Belitong, was known as an island in the eastern sea (lepas pantai timur) of Sumatera, Indonesia, located between Gaspar Strait and Karimata Strait. Now Belitung island is divided into two administrative regions: Belitung Regency whose capital city is Tanjung Pandan, and East Belitung Regency whose capital city is Manggar.

Because of Laskar Pelangi, the visits of domestic and foreign tourists to Belitung increase after the release of Laskar Pelangi film. The data show significant tourist visits each year.

Year	Domestic	Foreign
2012	110.638	975
2011	82.584	1.309
2010	49.118	1.383
2009	39.499	2.734
2008	29.983	2.053

Table 1. The Amount of Tourist Visit. Source: Central Bureau of Statistics (CBS)-Belitung Regency, 2013

Right now tourist visits focus on exotic Belitung beaches and the location of Laskar Pelangi film. It, indeed, needs hard work to realize creative idea of developing natural tourism into agricultural business (agribisnis) or agricultural tourism by utilizing the abandoned mining holes as a promising business opportunity, considering the land gets smaller and job opportunity reduced, unless people create job opportunity by themselves.

## **Transformational Leadership**

In the writer's opinion, a leader with transformational leadership is a leader that has abundant dreams to make surrounding people happy and pleased. The approach applied by a transformational leader is more humane and removes the gap between employer and employees. Participative working environment gives colleagues opportunity to develop personality strength, and the openness to the employees will be positive energy for the improvement. According to O'Leary (2001), transformational leadership is a leadership style used by a manager when he/she wants a group to widen the border and has performance that goes far beyond the status quo or reaches a series of organization's objectives that are fully new.

In Indonesia, Belitung is not the only place that suffers because of the mining process. The object of this paper is Belitung because from 2008 until now, Belitung has been phenomenal and become a new tourist destination; however, the environment that has given benefit in life has not been reclaimed yet or left damaged. According to Mulyono (2009), transformational leadership has the following characteristics:

- a. It motivates the followers to realize the importance of work results
- b. It motivates the followers to prioritize the organization's interest.
- c. It motivates to fulfill the higher needs.

If a transformational leader emerges, the abandoned mining holes will possibly give many benefits to society. Theoretically, according to Bernard M. Bass (1996), transformational leadership has different characteristic with other leadership styles. Transformational leaders aim at producing superior results with one or more behaviors of the following:

1. Individual Simulation

Transformational leaders stimulates their employees to be innovative and creative by asking assumptions, limiting the problems, and approaching the old situation with a new way.

2. Individual Consideration

Transformational leaders pay special attention to individual needs in its fulfillment and improvement they expect by behaving as trainers.

### 3. Inspirational Motivation

Transformational leaders act with the aim of giving motivation and inspiration to the surrounding people.

### 4. Idealized Influence

Transformational leaders behave as models for their employees. Leaders like this are usually respected and trusted.

Four factors above become power to develop leadership style. Concrete action that can be taken is doing research about kulong or the abandoned mining hole, especially its benefit in various fields.

## **Tin Mine**

*John Francis Loudon* – the son of Alexander Loudon, Scotland marine, the founder of the company *Billiton Maatschappij*, through the approach of Dutch East India government, assigned Dr. Croockewit to research mineral resources in Belitung island, and Dr. Croockewit arrived there in October 14<sup>th</sup> 1850. Theoretically, John Francis Loudon had applied transformational thought pattern so that disused mines could be utilized. However, he did not fully apply it or probably because theory of transformational leadership has just been found, so the abandoned mining holes have made the Belitung citizens suffer. In 1972, Indonesia government founded PN Timah (Tin State Company); however, PN Timah did not last longer. In 1976, government established PT. Tambang Timah (Tin Mine Company), but until now Belitung people still know it as PN. Timah even though the name has changed. PT. Tambang Timah with the biggest operation power has Mining Licence as broad as tens of thousand hectares. Data states that there are 25 thousand hectares in Belitung regency, and 62 thousand hectares in East Belitung, out of the breadth of Belitung island, 4.833 km<sup>2</sup>. The location of mines is not only on land, but also offshore. Right now PT. Timah does not operate anymore. Twenty three years ago the mines were abandoned. In April 29<sup>th</sup> 1991, UPT Belitung end their operation because possibly the remaining tin is not advantageous anymore for the life of the state company. It can be imagined that Belitung society were spoiled by the tin company. When PT. Timah stopped the operation, prosperity also diminished. All employees were fired and

given severance money, which local people called as ‘surprised money’. The name of ‘shocked money’ was caused by two factors: first, the employees of PT. Timah were shocked because the company having given them income stopped the operation; second, PT. Timah employees earned quite much money at that time, so they could not spend it well. Even though history states that PT. Timah ever developed well in Belitung island that is blessed with tin, and now it did not operate anymore, it does not mean that the tin excavation or mining in Belitung island stops.

Until this paper is written (January 1<sup>st</sup> 2014), tin is still the livelihood of Belitung people, in which 70% of Belitung inhabitants mine with different methods from that of PT. Timah:

Year	Tin
2012	5.560
2011	5.328.00
2010	3.983.00
2009	6.209.90
2008	224.753.07

Table 2. Excavated Tin, Source: CBS-Belitung 2013

Data of CBS Belitung Regency shows the decrease, about 2.47% of Belitung society still rely on tin, and their way or method of tin search is Tambang Karya (TK) Mini or Small Work Mine and ‘ngelimbang’ that still use very simple tools. Method of ‘ngelimbang’ use ‘kuali’ or wok or other tings of the same kind. The significant difference is that PT. Timah employ workers, but Tambang Karya (Work Mine) is done individually and involve family members.

### **Abandoned Mining Holes**

The film background with Belitung scenery transforms Belitung into a new tourist destination with its famous beaches such as Tanjung Tinggi Beach, Tanjung Kelayang Beach, Tanjung Pendam Beach, and other tourist objects such as

Berahu Hill, and many other tourist objects that refresh mind. According to Pearce (1998), motivation is “*the total network of biological and cultural forces that give value and direction to travel choice behaviour and experience*”. The writer tries to distinguish between motivation and destination. Motivation focuses more on understanding the psychological side of each tourist, whereas destination choice focuses more on important factors of tourist destination that attract the tourists to come and how those factors can satisfy the tourists.

Beside beach, there is still another tourist object that can attract the tourists to come to Belitung. Tin Mines! Location of abandoned tin mine has been ignored so far and is still regarded as secondhand thing that cannot be used anymore. Kolong (or kulong in the local language) deserves to be Belitung tourist object. There are some arguments that support this. First, novel ‘Laskar Pelangi’ was inspired by the difference between local people and the employees of PN Timah, so it has historical note about tin and the local people. Moreover, Surah Ali Imran-191 has emphasized, “ that is those who remember Allah while standing or sitting or laying, and they think of the sky and earth creation (while saying): “Ye our God, You did not create this uselessly, You are the Most Holy , then please keep us away from the hell torture.” It is not late to think that the abandoned mines can be developed into tourist objects, for example transforming the mines into greening areas with certain management, so that they are not barren anymore.

### **Business Opportunity**

It is certain that tin in Belitung will run out as the time passes. For tin miners, they are categorized as ‘prosperous’ if they get tin. Prosperous family is a family that is formed on the basis of legal marriage, can fulfill material and spiritual needs well, believe in God and obey Him, have harmonious and balanced relationship between family, society, and environment (Act No. 52, 2009). Level of family’s prosperity is categorized into five stages:

#### **1. Stage of Pre-Prosperous Family**

It is family that does not fulfill one of six indicator of Prosperous Family I or indicator of family’s basic needs.

2. Stage of Prosperous Family I (PF I)

It is family that can fulfill 6 indicators of PF I stage, but does not fulfill one of 8 indicators of Prosperous Family II or indicators of family's psychological needs.

3. Stage of Prosperous Family II (PF II)

It is family that can fulfill 6 indicators of PF I stage and 8 indicators of PF II, but does not fulfill one of 5 indicators of Prosperous Family III, or indicators of family's developmental needs.

4. Stage of Prosperous Family III (PF III)

It is family that can fulfill 6 indicators of PF I stage, 8 indicators of PF II, and 5 indicators of PF III, but does not fulfill one of two indicators of Prosperous Family III Plus or indicators of family's self-esteem.

5. Stage of Prosperous Family III Plus

It is family that can fulfill 6 indicators of PF I stage, 8 indicators of PF II, 5 indicators of PF III, and 2 indicators of PF III Plus.

Data of Belitung that is published by Central Bureau of Statistics – Belitung Regency in 2013

Year	Category				
	Pre-prosperous Family	Prosperous Family I	Prosperous Family II	Prosperous Family III	Prosperous Family III Plus
2012	2.528	2.052	7.369	34.230	541
2011	2.096	4.982	3.854	24.499	487
2010	2.024	4.657	3.559	24.260	42
2009	864	4.979	8.994	23.104	2.529
2008	864	4.973	8.994	23.104	8.019

Table 3. Category of Prosperous Family. Source: CBS-Belitung Regency, 2013

The data show that Belitung society is categorized family III in 2012. Characteristic of prosperous family III is that some of family's income is saved in the form of money or things (for example, livestock, paddy fields, jewelry, rented



house, and others). Besides that, family get information from newspaper/magazine/radio/internet, which means the family members have opportunity to access information locally, regionally, nationally, and internationally through printed media (e.g. newspaper, magazine, bulletin) or electronical media (e.g. radio, television, internet). These media are not only owned or bought by the family, but also can be lent to or owned by other people/family, or owned by public. Tin mining is a dilematic problem. Referring to the data, it is clear that society is prosperous; on the other hand, environment surrounding the mines shows the picture of poverty that forces society to keep prosperous and alive. Tin, indeed, affects the local economy development, statistic facts show minimum job vacancy out of the mines, but local economy is still growing. Faozan (2010) states that local economy growth is simply defined as a process of economy activity in a region which makes goods and/or service produced in a region increase and the prosperity of the society rise in long term. The process of economy activity in the region is closely related to tangible or real economy development such as development of infrastructures, hospitals, schools, manufactured goods, and production of industrial goods in the region. Therefore, local economy growth can be described as the development of economy potentials that can increase economy of the local people. For example, the abandoned mining holes can be utilized as the area for breeding freshwater fish like catfish in fish cage (keramba) or breeding them by leaving them wild. Integrated method focuses on fishery. The abandoned mining holes as tourist object can be in the form of artificial lake that is equipped with facilities sufficient and beneficial for society; moreover, the holes can also be used for educational tourism so that young generation understand tin mining and its positive and negative effects. Suratmo (2012) states that development of the abandoned tin mining areas can be optimized to be efficient and can add Belitung's income. Tourism can become potential that must be developed when mines cannot be relied, and with government's support, Belitung can become the third tourist destination after Bali and Lombok. This is based on the fact that Belitung has the same beautiful beaches as Bali. For example, Tanjung Tinggi Beach has stone contour in its seashore. The utilization kulong for fishery and plantation may involve society as

partner. Beside it can help reducing poverty through increasing society's income and providing job vacancy, development of core partnership and plasma partnership can give advantages to the company, that is through utilization of castor bean as fuel for the operation of mining industry to substitute fossil fuel and help society to obtain castor oil cheaply as the substitute of kerosene which is hardly obtained recently. In general, kulong with various sizes is filled with ground water, river water, and rain. Potential of freshwater fish breeding includes kulong or the abandoned mining holes that are spread in each regency /city. Kulong and freshwater swamp approximately reach 1.602 hectares, and 44.000 hectares in Belitung regency. Data of PT. Tambang Timah in 2000 stated that out of 343 kulongs with the size of 677,14 hectares in Belitung, only 54 kulongs have been reclaimed, which is the effort of rehabilitating the damaged land resulted from the mining activities, so that it can function optimally in appropriate with the capabilities (General Directorate Of Land and Social Forestry of Forestry Department, 1997). Rambo (1984) says that in human activities, social institution and cultural elements are in an integral unit, that is social system. Social system interacts with ecological system or natural ecosystem (forest and its potential as a unit of ecosystem). Efforts that government can do are: giving seeds freely to the farmers, utilizing the abandoned mining area with the system of production sharing, coaching the farmers and doing mentoring while the production process is running, conducting modelling project or employing unemployed people to do reclamation in the company's areas with the funding from company. However, the first step that should be taken is educating the society in order to change the mind and paradigm from garbage to blessing.

### C. CONCLUSION

All of us are leaders, so the damaged land shouldn't be abandoned as it is. Central and local government should make breakthrough, and educate society that the abandoned areas can still be utilized as the earth still rotates. Besides that, government can cooperate with the related institutions to analyze the utility of the abandoned mining holes, so the areas are not only used to mine water without producing something productive for society's prosperity.

The abandoned tin mining holes can be utilized optimally for tourist object, educational tourism for young generation about positive and negative sides of the mine, plantation that can give regional income, and opening job vacancy for society or opening fish freshwater breeding that can provide job vacancy so that the abandoned mines are not mourned as the damaged land, but with knowledge, it can be productive land for the source of society's economy.

Transformational leader should not be formal like a head of a region, minister, or president. Transformational leader is a person with a leadership skill that can change negative paradigm into positive paradigm. The writer believes that whatever the leadership style is, there should be 3 elements that is closely related and have the same vision, that is, a leader, followers, and an environment where the organization is located. In the case of the abandoned mining hole, it can change the way of thinking or paradigm, transforming the garbage to the blessing

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