
MIDDLE CAREER TRAP

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Abstract : The aim of the paper is to study the middle career trap for white collar worker. The research will be focused on the challenges which are faced by middle management. We will use the qualitative method on the analysis. The sample are 50 middle managers who have more than 10 years working experience. The analysis will be based on interview basis. The empirical results show that more than 10% of the middle managers are facing financial problem due to life style and family issues. There is a trap for the manager to improve their capabilities due to financial problem. The trap become a hurdle for the manager to promote to next level.

Keywords : Middle Career Trap, Middle Management, Management Skill, Needs

1. INTRODUCTION

In the economic growth of a country, we know the term middle income trap for a country. Middle income trap is a situation when a country successfully reaches middle income level, but could not increase from the said level to be an advanced income level country. The term middle income trap was introduced by Indemit Gill and Home Kharas from World Bank.

To break out from the middle income trap, a country has to do several different things than before, to level up. These things are different things with what have been done before. There are several of the following researches that describe of what have to be done.

If a country wants to break out from the middle income trap has to have a clear direction from its top leader, has innovative policies, has strategic alliances, and new leadership style. (Ohno, 2008).

Tran (2013) did a research by comparing South Korea with 4 ASEAN countries (Indonesia, Malaysia, Thailand and Philippines) discovered that a country that wishes to break out from the middle income trap has to increase research and development, improve the quality of humans and improve the institution system.

According to Aswicahyono (2014), there are several things that obstruct a country to break out from the middle income trap which is inconstant growth, low infrastructure and low quality of institutions. The research was applied against Indonesia.

A country will be able to break out from the middle income trap if it has strong middle class groups, has high productivity, performs innovations and has direct foreign investments in the said country. (Oztruct, 2015).

President Candidate 2019-2024, Mr. Joko Widodo in one of his campaign activities on March 22nd 2019, expressed a strategy to break out from the middle income trap. He proclaimed to build infrastructure, improve human resources and perform structural reformation or

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regulations simplification. The said three matters have become the focus of Indonesia's development under his leadership.

There is an ancient Chinese proverb that said that a strong family, will produce strong citizens. Strong citizens will produce a strong country. If the middle class of a country is not strong in increasing productivity and competitive abilities, the said country will have difficulty to break out from the middle class trap. Middle class citizens are one of the important factor in determining the future of a country.

Minister of Finance of Republic of Indonesia Mrs. Sri Mulyani Indrawati expressed the importance of the middle class in Indonesia's economy. The middle class is estimated as 50 million of the total 120 million workers in Indonesia. Vivi Alatan from World Bank also expressed that middle class is the drive of Indonesia's economy. The middle class contribute 44% of Indonesia's economy.

The biggest part of middle class is the workers group of 133.9 millions in the year 2018 and is estimated to be 200 million in the year 2045. The middle class holds an extremely crucial role in Indonesia's economy.

According to Miswanto (2005), managers and employees must professionally deliver themselves to be able to compete in seizing the future by implementing career strategy paradigms consist of: (1) how to face competing challenges strategies, (2) how to seize the future strategies, (3) how to mobilize the future strategies, and (4) how to arrive first in the future strategies.

According to Kazlauskaite (2008) human resources have organization strategic value in an organization. Human resources are advantage competitive resources. Human resources show extra value, scarcity and dynamic.

Therefore human resources hold a crucial role in an organization. Competing superiority really depends on human resources abilities, especially middle class managers.

This research will focus on matters that could obstruct a middle class worker manager to break out from the middle career trap. This research will be focused on

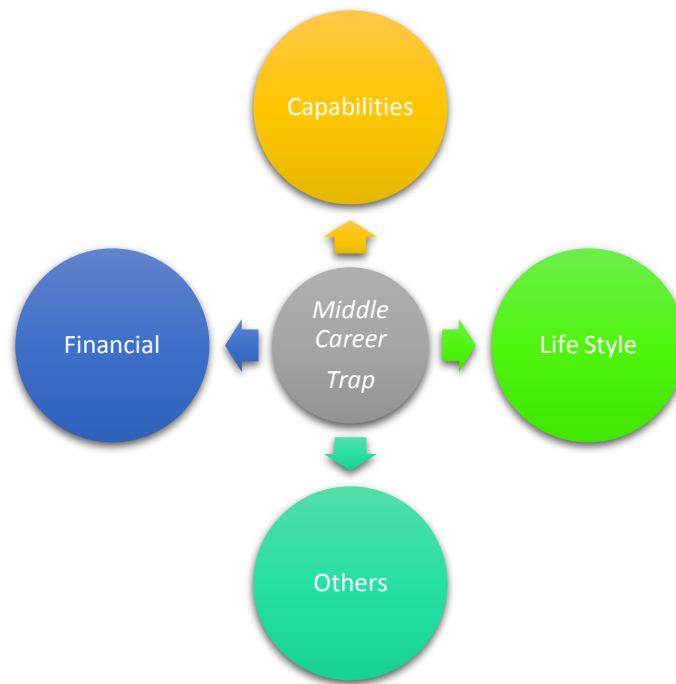
- a. Capabilities trap
- b. Financial trap
- c. Life style trap
- d. Other traps

This research will consist of 4 parts namely part one preface continued with research methodology, methodology, variables and data in part two, and followed by discussion in part three and part four will be the conclusion.

2. METHODS

The research outline is explained in the picture below. The research outline explains variables that obstruct middle class to break out from the middle class device.

This research uses qualitative method. This method reveals of something behind the existing phenomenon. The respondents of this research are middle class managers. Interviewed respondents amount to 50 people.



As for the characteristics of the respondents are (1) those with income between IDR 15,000,000,- up to IDR 40,000,000,- per month, (2) have occupied the position as a manager for minimal 2 years, (3) have aged above 30 years old (4) still active as a manager (5) domiciled all across Indonesia (6) Male respondents amount to 88% and female amount to 12% (7) work in finance industry. This research uses case representative method. Interview pattern is performed informally, so that the respondents will be more unimpeded in giving the data.

As for several questions used in the interview guidelines are (1) what are the challenges or obstructions you face all these times? (2) Why are these challenges could happen to you? (3) What is the participation and contribution of your family in facing these challenges? (4) Do you need solutions of the challenges you're facing? (5) Are these challenges the only challenges or are they causative effects with other matters? (6) Are there any future self-improvement plans? (7) What are your long-term life goals?

The data obtained is qualitative data. Analysis is performed by solving, separating and deciphering materials obtained. (Lismarwan)

Variable

Variables of this research are grouped into 4 main groups that are (1) capabilities, (2) finance (3) lifestyle and (4) other. Each variable is analyzed for its implication or influence against the manager's career.

Data

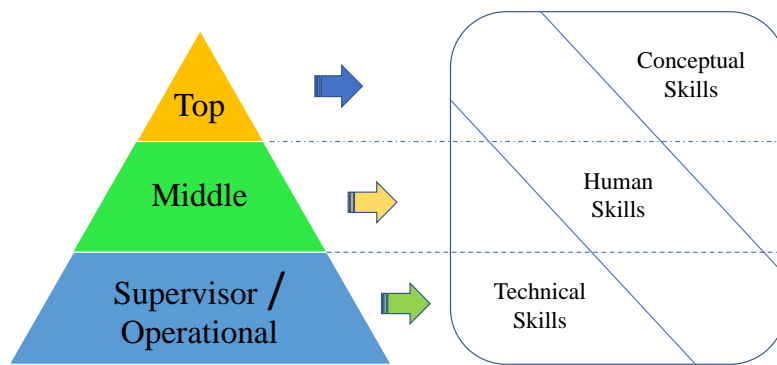
Data used is 50 middle level managers in a local company. This research was performed on June 2018-December 2018 period. Average working experience is more than 10 years. Spread in 32 provinces all over Indonesia with the majority in Jakarta. Respondents are married or was married.

3. DISCUSSION

Middle class is the class that will drive a country's economy. This class has massive consumption force and also has huge finance potential. Middle class managers are part of this middle level class. Finance challenges and non-finance become challenges for someone in the middle class to break out from the trap.

Capabilities Trap

When someone is promoted from one level to a level above, it is always followed by bigger responsibilities. Beside responsibilities, someone is also obliged to have different managerial skills. As described below, when someone is at the operational level, technical abilities are majorly needed. When someone is in the middle level, then inter human connection abilities are dominant. When someone is on top level, then conceptual abilities are dominant.



Katz (1970)

Every level will face different demands, surely it is obliged to enrich oneself with the abilities/expertise necessary. Occasionally, someone is promoted, before the abilities/expertise are prepared. Therefore, someone will face obstructions like (having the) position in top management, but is still focusing on technical matters. Surely, this will obstruct the said person to advance more in his work.

Some of these capabilities could be learnt by reading or studying through a learning process in a college. There are also capabilities that could only be learnt through work experience process or guidance from seniors.

In the interview, respondents expressed financial limits in furthering their education to the next level. Besides that, the respondents also said there is a time limit to further their education. Respondents' time is used for work and family. Training level needed is also another obstruction in improving their abilities.

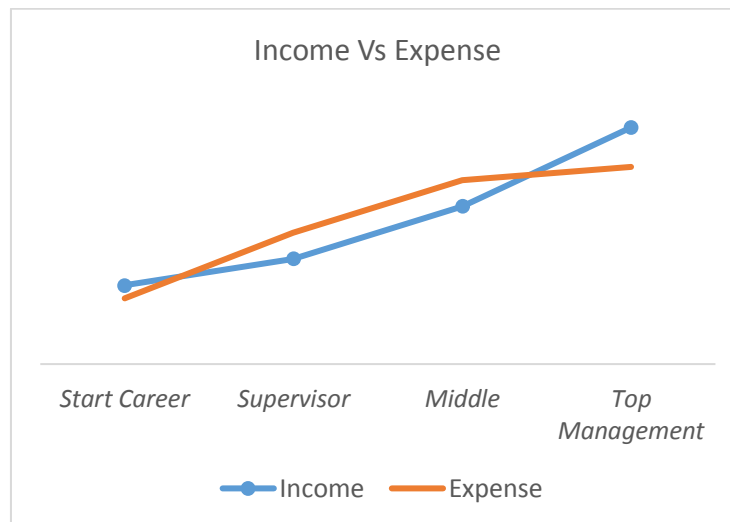
Financial Trap

Beside the abilities/expertise that are obliged to have, someone also has to arrange his life style from one level to the next level. Income will increase in line with someone's career/position's increase. However, expense will also increase and sometimes it is not directly proportional with income addition.

From interview result regarding finance condition, could be described in the graph below. As illustration in monthly income measurement followed by someone's growth in life. When

starting a career, income is still surplus compared to expense. Life style is still standard like one had when in college or school. When someone starts a career, most respondents still stay with their parents or enjoy parents' "subsidy".

When someone starts having the supervisor/manager position, they start a new life style by thinking to start a family or a new relationship. In this stage, expenses increase, while income has not increased in line with expenses. In this stage, they start family life. Parents' subsidy becomes smaller.



In the next stage, when they already have a family and children, expenses increase. Whereas, they already start needing vehicles, housing for independent families, and extra education cost for children. At this time, expenses will increase even more and income will be later in chasing expenses.

Besides, the amount of income is taboo to be discussed. Families have middle class income expectations above the real income they accept. As a result, income increase from the staff position to the middle level, is not corresponding to the expense expectations that arise. Expenses increase more than income.

Life Style Trap

Families assume middle class managers position have bigger income. The core family of this manager also changed their social status when they know he has been promoted. The life style to shop at the mall/supermarket could be a prestige for the family. They used to shop at the traditional market. Besides that, a middle class manager is also needed in paying attention to the staff under his command.

In the early stage of marriage, when both couple still work, and at the stage when a child is born, there are family couples who decide (one has) to take care of the child at home, so the income decreases. With the ever increasing cost due to the birth of a child.

The wish/expectation to give higher education for children than the existing one. Expectations of clothing and housing needs also increase in line with position increase. Social cost to own clothes, accessories and better life style.

Other Trap

In this stage, they start to have obligations to both their parents. Their parents start to enter retirement age. (In) this time costs for both parents will occur, including health cost.

1. Extended Family

Extended family will easily request financial aid to middle class managers. Middle class managers have the wish to maintain good image. Middle class managers will struggle to reject (giving) the requested aid. Rejection will be considered cutting family ties.

Families in Asian countries are families in wide definition. The bond between one family member and the other is really close. Helping each other with the family, is a normal thing, including finance. The family that has more, is obliged to help the needing family members.

2. Life Style

The wish to be recognized of being successful in career, will result in the middle class manager's life style to change. The wish to appear different, like having the latest cellphone, clothes that mirrored their life, and social status posted in social medias.

3. Debt

Middle class will cover income deficiency by borrowing fund from finance institutions. Middle class managers have the belief that the future income will be able to cover the debt. Future income such as bonus or incentive are believed to be obtained. Whereas, there are a major part (of managers) that will roll themselves with this debt issue. As a result, this debt issue will be additional problem for the middle class managers.

When the family demands increases, this will obstruct the learning process that has to be done. The cost for learning will decrease with the life style demands in a family. Besides cost, family time is also another obstruction that has to be considered.

Cost increase is bigger than income, with debt, will also cause a new issue, including taking the shortcut by doing actions that violate integrity or searching extra income from other resources. This matter could cause the main job to not be handled properly or (creates) violation potential.

CONCLUSION

Middle level managers face financial challenges due to living cost increase that is not comparable to income increase. This matter will cause, middle class manager to have finance obstructions in increasing his capabilities abilities through education or training.

Financial obstruction, beside the increase of daily living cost. Life needs caused by social status (life style) and also immediate family. The wish to appear different with the previous condition, will cause extra cost that had to be issued. Middle manager also needs extra cost to support and help immediate family that needs (help).

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