

Covid-19 Pandemic; Interest In Entrepreneurship And Competency Development Of Micro, Small And Medium Entrepreneurs In Surabaya

Asmirin Noor¹, Tri Cicik Wijayanti², Shenna Zenitha Afdhally³, Miya Dewi Suprihandari⁴

¹STIE Mahardhika: asmirin.noor@stiemahardhika.ac.id

²Universitas Gajayana Malang: cckwijayanti@gmail.com

³STIE Mahardhika Surabaya: shennaza@gmail.com

⁴STIE Mahardhika Surabaya dewimiya.76@gmail.com

Abstract

This study aims to determine the effect of the Covid-19 Pandemic on Interest in Entrepreneurship and on Increasing the Entrepreneurial Capability of MSMEs in the City of Surabaya. The research approach used is a quantitative research using path analysis. The population of this study is the perpetrators of MSMEs in Surabaya, with a total sample of 97 people. Samples were taken using the Convenience Sampling technique. The study results show a positive and significant influence between the COVID-19 pandemic on entrepreneurial interest and entrepreneurial Competence, as well as a positive and significant influence between entrepreneurial interest on increasing the entrepreneurial Competence of MSME actors in the city of Surabaya.

Keywords: Covid 19 Pandemic, Entrepreneurial Interest, and Entrepreneurial Competence.

1. INTRODUCTION

The spread of Covid-19 in all corners of the world has also undermined the various joints of life. It is not only the economic side that is directly affected, but also our interrelation as humans. Changes in human relations and changes from the economic side are often followed by changes in the political field, including the life of the nation and state. Various everyday problems also need to be observed and find solutions with new approaches.



The Covid-19 pandemic has had a direct or indirect impact on the Indonesian economy. The impacts include increasing the number of layoffs at several companies in Surabaya. (Jawapos.com: November 6, 2020) . Based on a survey conducted by the Ministry of Manpower in collaboration with Indef, the decline in demand, production, and profits generally occurred in MSME companies, above 90 percent. While the companies most affected are providing food and drink accommodation, real estate, and construction (merdeka.com: November 24, 2020).

The implications after the pandemic occur require companies to implement operational standards for handling COVID-19, starting from avoiding crowds, reducing working hours, or implementing work from home.

It was found that the impact of the Covid-19 pandemic was clustered in 3 conditions of business activity. First, the business survived or was stable, the second business declined, and the third business grew. By adjusting the interaction model using the online application platform, Stable business is education, especially for delivering food/beverages and necessities and health products. Declining businesses are those based on visits or the presence of consumers in places highly affected by the Covid-19 pandemic, such as public transportation, tourism, hotels, offline retail, shopping centers, transportation of people and goods (Taufik et al.: 2020).

In declining business clusters, there will be efforts to save operational costs, including reducing the workforce. The Head of the East Java Manpower and Transmigration Office, Himawan Estu Bagijo revealed, as of December 2020, 7,246 workers had experienced layoffs (PHK) as a result of the Covid-19 pandemic. Three hundred forty-one companies did layoffs. The East Java Manpower and Transmigration Office also noted that 608 companies laid off their workers.

Termination of employment by the company to its employees can foster a desire to be entrepreneurial. Entrepreneurial intention is defined as the process of seeking information that can be used to achieve the goal of establishing a business (Indarti and Rokhima, 2008). An important element in entrepreneurial intentions is the high motivation to change household economic conditions.

The results of this study can be concluded that Termination of Employment (PHK) influences Psychology (The Spirit of Looking for a New Job). According to Fathoni (2020), the magnitude of the effect of Termination of Employment (PHK) influences Psychology (The Spirit of Looking for New Jobs) by 80.1%, while other variables outside the study influence the rest (19.9%). We can take the wisdom behind the layoffs, namely the increase in enthusiasm for looking for work because work is worship and fortune is a share (rizqi, death, hardship, joy, has been determined by God).

The aim of this research is :



1. To find out the influence of the Covid 19 Pandemic on interest in entrepreneurship in Surabaya
2. To find out the effect of the COVID-19 pandemic on increasing the Competence of micro, small and medium entrepreneurs in Surabaya
3. To determine the effect of interest in entrepreneurship on the Competence of micro, small and medium enterprises in Surabaya

2. LITERATURE REVIEW

2.1 Covid 19 Pandemic

In 2019, precisely in Wuhan, China, a new virus was found, namely the coronavirus, and the disease is called Coronavirus disease 2019 or Covid 19. (WHO, 2020). As of March 31, 2020, there were 81,620 COVID-19 cases in China, of which 3,322 people died and 76,571 people recovered. (www. World meters, 2020). The virus has spread to 203 countries, with 827,419 confirmed cases and 40,777 deaths (covid19.go.id).

Coronavirus (COVID-19) is an infectious disease caused by a new version of the coronavirus that was discovered in late 2019.4 Most of the disorders experienced by individuals infected with the COVID-19 virus will experience mild to moderate respiratory illness and recover without requiring special treatment (Zhou, 2020)

The World Health Organization (WHO) has determined the coronavirus, commonly referred to as COVID 19, which has become a pandemic because this virus has spread to various countries and has even gone global. WHO defines a pandemic as a condition of the world's population and can cause falls and illness. A pandemic is an epidemic that spreads simultaneously everywhere. The COVID-19 pandemic also impacts various sectors of life, such as the economy, social and education. The United Nations Educational, Scientific, and Cultural Organization (UNESCO) on Thursday, March 5, 2020, stated that the COVID-19 outbreak impacted the world of education (Hendra Irawan, 2020).

An entrepreneur, in general, is someone who opens a business independently with the courage to take risks and calculate the profits and losses he gets. Therefore, entrepreneurs need to prepare a good mentality to face business conditions that are profitable or detrimental (H.M Anwar, 2017: 8). According to Nieuwenhuizen (2004: 34), entrepreneurs are people who create a business by generating ideas, skills, and profits to make a successful enterprise. According to Leach, Melicher (2009: 5), entrepreneurship turns an idea into an opportunity. Entrepreneurship is a person's ability to work towards luck. Ideas and thoughts in creating something new and

different are created from creative and innovative thought processes (Sanawari and Iqbal, 2018: 4).

2.2 Entrepreneurial Interest

Interest in entrepreneurship is an interest and desire to be involved in entrepreneurial activities. Interest in entrepreneurship arises from several factors that influence a person, including education, experience, academic support, social support, and support for the business environment, which are contextual factors that influence interest in entrepreneurship (Suharti & Sirine. 2011).

Zimmerer and Scarborough (1998) explain that several things influence a person's interest in entrepreneurship, namely motivation from within and from others and the education received, and Alma (2013) mentions three factors that influence a person to become an entrepreneur, namely 1) Personal factors, 2) Environmental factors and 3) Sociological factors.

Meanwhile, according to Witherington, interest is defined as a person's awareness that an object, person, problem, or situation has something to do with him. Interest in an object, activity, situation, or other people, between one individual and another individual, can vary, depending on how much interest he has in an object, activity, situation, or another person (Aqmal et al., 2020; Revelation & Greetings, 2020).

In the context of entrepreneurship, interest means the desire to set up a business. In addition, the word business interest refers to the beginning, where a person establishes a business for certain reasons (knowledge, circumstances, or other reasons) for the first time (Nisa & Murniawaty, 2020; Wahyuningsih, 2020). In research explained, entrepreneurial interest is the first component in setting up a business (Prasetio, 2020).

2.3 Entrepreneurial competence

Competence is said to be one of the factors that affect performance. Competence is a basic characteristic that can be associated with improving individual or team performance. According to Edison et al. (2017), Competence is an individual's ability to carry out a job correctly and has advantages based on knowledge, skills, and attitudes.

According to George Klemp (in Edison et al., (2017), Competence is a characteristic that underlies a person to produce effective work and superior performance. According to Spencer and Spencer in Edison et al. (2017) add that "a competency is an underlying characteristic of an individual that is causally related to criterion-referenced effective and or superior performance in a job or situation.

Spencer and Spencer in Abdussamad (2011) divide Competence into two levels. Namely, there are visible and invisible; Spencer and Spencer illustrate like an iceberg where some are visible on the surface, and others are invisible

Mitrani in Asmara (2002: 109) suggests that Competence is a deep and inherent part of a person's personality and predictable behavior in various situations and work tasks.

According to Zimmerer and Scarborough (2002: 3), an entrepreneur is someone who creates a new business by taking risks and uncertainties to achieve profit and growth by identifying opportunities and combining the necessary resources to establish them.

Suryana (2006: 88) reveals that the competencies or abilities that entrepreneurs must possess are reflected in the ability and willingness to start a business (start-up), the ability to do something new (creative), the willingness and ability to seek opportunities (opportunity).), the ability and courage to take risks (risk-bearing) and the ability to develop ideas and gather resources

2.4 Research Framework

The conceptual framework of this research is as follows:

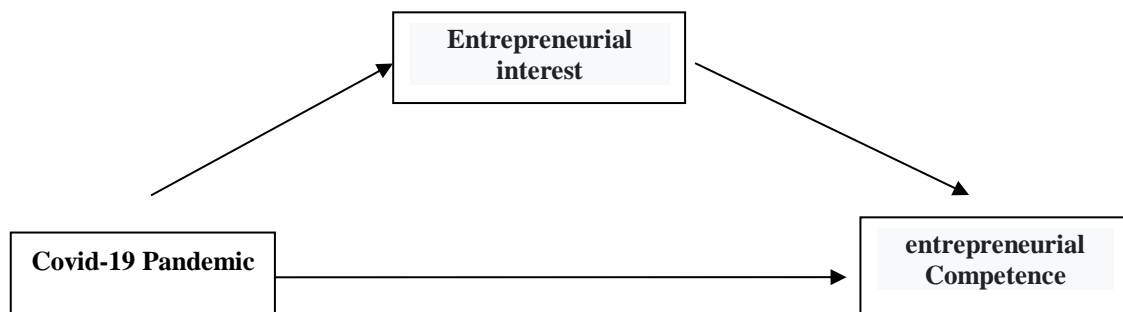


Figure 1. *Research Framework*

From the diagram, the following hypotheses are formulated:

- There is an influence of the Covid 19 Pandemic on the interest in entrepreneurship in Surabaya
- There is an effect of the COVID-19 pandemic on increasing the Competence of micro, small and medium entrepreneurs in Surabaya
- There is an influence of interest in entrepreneurship on the Competence of micro, small and medium entrepreneurs in Surabaya

3. METHODOLOGY

3.1 Sample Population

The study population is micro, small, and medium business actors who have started their business since the outbreak of the Covid-19 pandemic in Surabaya. Because the number of population is unknown, the research uses theory in finding the sample size

In this study, samples were taken from entrepreneurs who were spread throughout Surabaya. Furthermore, the determination of the total number of samples is determined using the following formula:

$$n = \frac{Z^2}{4(Moe)^2} = \frac{(1,96)^2}{4(0,10)^2} = 96,04 \approx 97 \text{ orang}$$

where :

n: Number of samples

Z : Normal distribution level at 95% confidence level = 1.96

Moe: Margin of error or maximum error that can be correlated, here is set 10% or 0.10

3.2. Analysis Tools

1. Test the validity of the instrument

Validity shows the extent to which the measuring instrument can measure what it is intended to measure. By using Product Moment, the question item can be valid if it is greater than 0.30 (Sugiyono, 2017: 178). The formula used is as follows:

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n(\sum x^2) - (\sum x)^2][n(\sum y^2) - (\sum y)^2]}}$$

Where :

R = correlation coefficient

X = Item score

y = Total score

n = Number of respondents

2. Instrument Reliability Test

According to Sugiyono (2017: 124): "For reliability testing, Cronbach's Alpha technique is used, where an instrument can be said to be reliable if it has a reliability coefficient or alpha of 0.6 or more with the following calculation formula:

$$R.I. = \frac{[K] [St^2 - \sum P_i q_i]}{(K-1) St}$$

where :

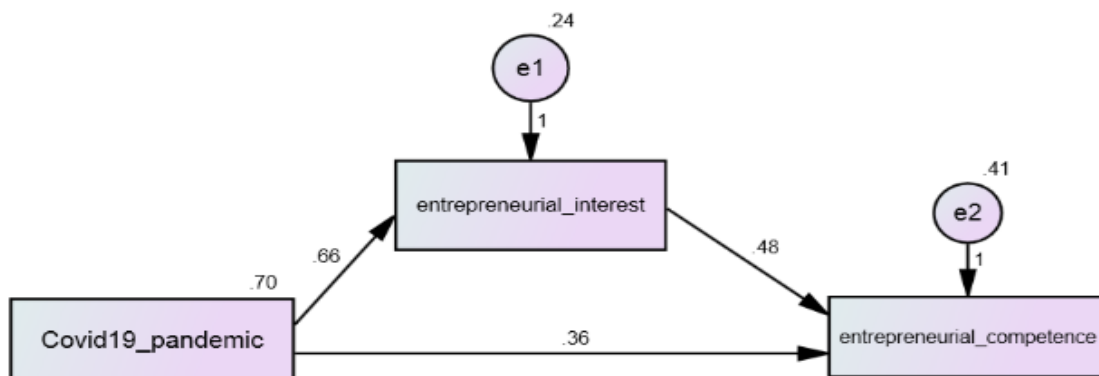
ri = instrument reliability

K = number of items in the instrument

Pi = the proportion of the number of subjects who answered on item 1

4. RESEARCH RESULT

This study uses a quantitative approach with path analysis tools and uses the AMOS program. In this study, data analysis used path analysis using the AMOS program. After being tested for validity and reliability, all statement items in the distributed questionnaire were declared valid and reliable. Results Path analysis using AMOS can be seen in the following figure:



Based on the path analysis using the AMOS program, the figure can be explained by the following table:

Table 1. Output Amos

		Estimate	S.E.	C.R.	P	Label
entrepreneurial_ interest	<--- Covid19_pandemic	.662	.060	11.124	***	par_1
entrepreneurial_ competence	<--- Covid19_pandemic	.364	.118	3.083	.002	par_2
entrepreneurial_ competence	<--- entrepreneurial_ interest	.479	.134	3.587	***	par_3

Source: AMOS Output Appendix

From the results of the analysis using the AMOS program, it can be explained that the Covid 19 Pandemic variable has an estimated value of 0.662 with a probability of 0.000, which is smaller than the 0.05 significance value, it can be explained that the Covid 19 Pandemic has a significant effect on entrepreneurial interest.

The entrepreneurial interest variable has an estimated value of 0.479 with a probability value of 0.000, which is smaller than the significance value of 0.05; it can be explained that entrepreneurial interest has a significant effect on increasing entrepreneurial Competence.

The Covid 19 Pandemic Variable has an estimated value of 0.364 with a probability value of 0.002, smaller than the significance value of 0.05. It can be explained that the Covid 19 Pandemic has a significant effect on increasing entrepreneurial Competence.

Table 2. Indirect Effect Calculation Indirect Effects (Group number 1 - Default model)

	Covid19_pandemic	entrepreneurial_interest
entrepreneurial_interest	.000	.000
entrepreneurial_competence	.317	.000

Source: AMOS Output Appendix

To find out the indirect effect between the Covid 19 Pandemic through entrepreneurial interest as an intervening variable on Entrepreneurial Competence, it can be seen from the results of the analysis using the AMOS program, and it can be said that the magnitude of the influence of the Covid 19 Pandemic on entrepreneurial Competence through entrepreneurial interest as an intervening variable is 0.317.

Table 5.22 Total Influence Results Total Effects (Group number 1 - Default model)

	Covid19_pandemic	entrepreneurial_interest
entrepreneurial_interest	.662	.000
entrepreneurial_competence	.681	.479

Source: SPSS Output Appendix

Based on the table above, the total coefficient of influence for the COVID-19 pandemic through entrepreneurial interest is 0.681, while the value of the direct influence of the Covid-19 pandemic on entrepreneurial interest is 0.662. The value of the coefficient of the influence of the entrepreneurial interest variable on entrepreneurial Competence is 0.479.

5. CONCLUSION

Based on the results of research conducted, the researchers suggest several things as follows:

1. The COVID-19 pandemic has affected people's interest in entrepreneurship in the city of Surabaya.
2. The COVID-19 pandemic affects the entrepreneurial ability of the people in the city of Surabaya
3. Interest in Entrepreneurship has a positive and significant impact on the entrepreneurial ability of the people of Surabaya

REFERENCES

- Sugiyono, 2017, Metode Penelitian Bisnis, Bandung: Alfabeta
- Taufik, & Eka A. A.. 2020. Jurnal Dampak Pandemi Covid-19 Terhadap Bisnis dan Eksistensi Platform Online. *Ejurnal.stieipwija.ac.id. Jurnal Pengembangan Wiraswasta* Vol. 22 No. 01 – APR 2020.
<https://www.jawapos.com/jpg-today/06/11/2020/dampak-pandemi-covid-19-5-juta-buruh-kena-phk/>
<https://www.merdeka.com/uang/survei-9-dari-10-perusahaan-di-indonesia-rasakan-dampak-langsung-pandemi-covid-19.html>
<https://www.ayosurabaya.com/read/2021/02/09/7315/pandemi-covid-19-7246-pekerja-di-jatim-kena-phk> Penulis: M. Naufal Hafizh Editor : M. Naufal Hafizh.
<https://www.worldometers.info/coronavirus/country/china/>. Coronavirus Statistics China," accessed April 3, 2020
<https://www.covid19.go.id/>; "Covid-19 Coronaviruses Pandemic." 12 "Covid-19 Indon, Covid-19 Indonesia," accessed April 3, 2020
<https://www.worldometers.info/coronavirus/>; Coronavirus Prevention Handbook (Wuhan: Hubei Science and Technology Press), Wang Zhou, ed., 2020. "Covid-19 Coronaviruses Pandemic," accessed April 3, 2020