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EMPLOYEE ENGAGEMENT OF SMALL AND MEDIUM MICRO BUSINESSES (MSME) IN BANDUNG CITY- WEST JAVA: AT THE CONDITION OF COVID PANDEMIC 19

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ABSTRACT

The purpose of this research is to determine the conditions and dominant factors that influence employee engagement of MSME actors and how much their influence is, and to provide an empirical basis for local governments, especially the Bandung city in taking economic policy in deciphering COVID 19 issues for MSME actors.

The research method used is descriptive and verification, with analysis tools using Confirmatory Factor Analysis. The data obtained are ordinal scale and validity, reliability and classic assumptions are tested. Respondents numbered 45 people of micro small and medium businesses in the city of Bandung with offline and online sales activities when COVI 19 is running.

The research results show that the data are valid, reliable and meet the classical assumption test. Judging from the results of the analysis shows that 1) All business actors have a business will that is still strong or 100% at the time of this COVID 19. 2) Business actors in the city of Bandung already have a negative contribution and the contribution is quite small.3) The level of enthusiasm of business actors when Covid 19 is quite small 4) The pride of the business actors including the remuneration from the family is still quite large towards MSMEs when COVID 19 There are four dominant factors that determine the employee engagement of SMEs in Bandung, namely 1) Currently they really enjoy their work or business, 2) Currently they are fully supported by their family in running their business or work, 3) Now they feel attached and comfortable with their work / business, 4) Currently they are confident that the government supports their business / work. The total contribution of the dominant employee engagement factor is 70.50% and the remaining 29.50% is determined by other factors from 13 other factors.

The results of the study can be concluded that the employee engagement of SMEs in terms of business and pride in the business is still good enough, but in terms of the contribution of business results and the enthusiasm of them to try is gone. There are four dominant factors that determine the engagement of these business actors that need to be considered by relevant parties in making policies during COVID 19 in the city of Bandung.

Keywords: Employee Engagement, Covid 19, SMEs

INTRODUCTION

This research was conducted at the end of May precisely on May 26, 2020 two days after IedulFitri 1441 H with Indonesian covid19 data confirmed 23,165, recovered 5,877 and death 1,418 and for the world confirmed 5,582,382, recovered 2,361,043 and death 347,563. source Wikipedia and ANTV Indonesia. The curiosity for small businesses or SMEs in West Java, especially in the city of Bandung to remain loyal to their business and what is the dominant factor that keeps them loyal or vice versa to run their business. This condition was triggered by the effect of COVID 19 which hit the world including the city of Bandung which had a strong impact on weakening and even stopping the activities of all business sectors, both government and private. The condition of the Work From Home or WFH or even LOCKDOWN policy causes the cessation of business activities including SMEs in the City of Bandung.

Apart from that empirically according to the results of research from Griffet, et al (2017) expressed the opinion that Almost all models of intention to leave are due to the level of job satisfaction (salary, promotions, coworkers, supervisors, as well as the work itself) and organizational commitment The low one. Many studies about the two-way relationship between employees with organization / company and its work such as job satisfaction, commitment organization, Organizational Citizenship Behavior (OCB) and most recently is employee engagement.

For other business cases outside MSME, the cause factor of intention to leave for work, the loyalty factor for work is ranked second after the leadership factor. Rizky Karina Putri's research results (3: 2020) The empirical data shows that 1) Bosses / Leadership 60%, 2) Lack of sense related to the company 20%, 3) Workload 8%, 4) Relationship of co-workers 7%, 5) Career 4%, and 5) Salary of 1%. Based on these data, it shows that employee engagement or lack of binding of workers to their jobs reaches 20%, while those considered crucial like salary only occupy the 5th problem with a magnitude of 1% only.

Table 1:

Kategori	Business Total	Employee Totals	Average Labor Absorption
G. Wholesale and retail trade; Car and Motorcycle Repair and Maintenance	2.156.577	3.981.293	2
C. Industrial Process	600.720	1.673.252	3
I. Provision of Accommodation and Provision of Food and Beverage	860.312	1.569.177	2
P. Education	89.409	825.579	9
RS. Other Services	181.017	403.469	2
H. Transportation and warehousing	295.782	357.279	1
Other Category	77.715	220.203	3
F. Konstruksi	18.216	214.671	12
J. Informasi Dan Komunikasi	121.387	184.134	2
MN. Jasa Perusahaan	54.241	155.412	3
L. Real Estat	90.498	117.926	1

Sources: Economic Census.Katalog 1305097.32 withDedenSutisna.

Absorption of a large workforce SMEs in Indonesia have informal characteristics, namely businesses that are characterized by the absence of legal entity status, the absence of a financial recording system, are run with limited capital and limited expertise, and the use of technology is still simple. This simple management will certainly affect the income earned by SMEs. One effort to improve performance and SMEs is to forge partnerships with larger companies to get guidance, capital assistance, and others. These efforts are expected to increase SME incomes while increasing the standard of living of the community.

As truly real empirical data in the field about the effect of COVID 19 on the micro small and medium business sector, it is conveyed in the public daily mind of the People as follows:

1. 1,569 West Java MSMEs Affected by Corona Virus Pandemic (Covid-19) Ai Rika Rachmawati - 22 April 2020, 16:34 WIB
2. 1,569 micro, small and medium enterprises (MSMEs) in West Java (West Java) were affected by Pandemic Covid-19. The amount is a provisional result of the data collection of the MSME Crisis Centre of the Indonesian Business Development Services Association (ABDSI) conducted on March 24 to April 19, 2020.
3. Regional Coordinator of the West Java ABDSI Crisis Centre, Siti Nur Maftuhah, said that the data collection was still ongoing. The number of MSMEs affected by the Covid-19 pandemic still has the potential to increase.
4. 2. "Nationally, the number of MSMEs affected by Covid-19 which has been recorded by the ABDSI Crisis Centre MSMEs in that period reached 7,994," he said in Bandung, Wednesday, April 22, 2020. He said, in terms of business scale, the most affected were micro businesses and small (MSE), especially daily businesses. They include daily culinary traders, street vendors, tourism-related businesses, and creative services.
5. "Of all the affected MSMEs that have been recorded, 87% of them are micro businesses, whose turnover is up to Rp. 300 million per year," he said.
6. Most, 47% of the total impacted MSMEs that have been recorded, are processed food businesses. As many as 84% have a workforce of between 1-10 people.
7. The Chair of the ABDSI Crisis Centre SME Data and Plans Centre, HelmaAgustiawan, said that the biggest impact experienced by the SMEs was the drop in demand, which was complained by 96% of respondents. As many as 81% complained about the increase in raw material prices. "However, there are 2% of MSMEs that due to the Covid-19 pandemic have actually increased demand," he said.
8. Among them are herbal beverage businesses, spices and vegetable farming, and ready-to-eat food. In addition, the business actors selling health equipment and some fashion businesses. In terms of production activities, according to Helma,

only 4% are still operating normally, as before the pandemic. As many as 32% chose to stop operating for a while.

9. 3. Hundreds of Sukabumi City Micro, Small and Medium Enterprises (MSMEs), affected by the Covid-19 pandemic. They complained about the increase in raw materials up to 50 to 60 percent. As a result of the increase in raw materials, most of the SMEs' activities are disrupted. Efforts to maintain the business have been done, including reducing the supply of raw materials.

"The SMEs are very devastated by the Covid-19 pandemic. In addition to the increase in raw materials, the sales turnover activity of business actors has dropped by almost 70 to 80 percent. Luckily they are still holding on to continue their business," said Sukabumi City UMKM Program Director, Rendi. Rendi said to encourage efforts to recover, Sukabumi City Government continues to intervene. Especially to promote the efforts of SMEs.

"We are trying to encourage MSMEs to wriggle, including promoting from several social networks. Among them, through the Sukabumi Mayor Instagram network," he said. Mayor of Sukabumi, Achmad Fahmi confirmed that the corona pandemic greatly hit the activities of MSME actors. Most complained that their income had decreased. Hundreds of Micro, Small and Medium Enterprises (SMEs) in Sukabumi City were affected by the Covid-19 pandemic. They complained about the increase in raw materials up to 50 to 60 percent.

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THEORETICAL BASIS

Commitment to job success is often referred to as employee engagement. Employee engagement is a relatively new term in human resource science, where the word is often used by consultancy agencies specializing in the field of human resources.

Employee engagement is an idea in organizational behavior that has become an attraction in recent years. This attraction arises because employee engagement affects the company's overall performance. This has been defined by one of the leading research organizations as a high emotional connection that an employee feels to the job that he is currently undergoing.

Furthermore, some experts conveyed the Limits on employee engagement as follows:

Tritch, 2003, stated that organization states that employees who have engagement value are workers who have full involvement and enthusiasm for their work

Macey & Schneider 2008, In addition to this definition, the popular view of this term states that employee engagement not only makes employees contribute more, but also makes them have a higher loyalty thereby reducing the desire to leave the company voluntarily

According to Thomas 2007, Employee engagement is a stable psychological state and the result of interaction between an individual and the environment in which an individual works.

According to Kahn (Nusatria, 2011: 4) engagement is a multidimensional idea. Employees can be emotionally, cognitive, or physically bound. Engagement occurs when someone is consciously alert and / or emotionally connected to another person. Disengaged employees, on the other hand, break away from work assignments and withdraw consciously and emotionally (Luthans and Peterson 2002 in Nusatria, 2011: 4). The Conference Board (in Vibrayani, 2012: 10) states that engagement with employees is an emotionally and intellectually strong relationship that employees have towards their work, organization, manager or colleagues, which in turn, will influence him to give more effort to the work

Schaufeli, Salanova, Gonzales-Roma, and Baker (2002), formulating engagement as the opposite of burn out, namely as a condition where employees feel positive and satisfied with their work. This motivational construct is characterized by vigor, dedication, and absorption of employees. Employees who are engaged have energy and deal effectively with their work activities. They also see themselves as being able to deal fully with demands in their work (Schaufeli, Salanova, Gonzales-Rome, and Baker, 2002). Therefore, it can be said that employee engagement is not a momentary feeling towards certain circumstances, but engagement refers to something more stable which focuses on how psychological experiences and work contexts affect employees' processes in presenting themselves in their work. Croston (2008) also mentions that from various studies it is known that there are 10 factors which are key factors that encourage employee engagement, including: a) Senior leadership behavior, b) Relationships with direct superiors, c) Interesting and challenging work, d) Opportunities to grow and develop, e) Involvement in making decisions, f) Authority to make policies, g) Collaborative corporate culture, h) Effective internal communication, i) Appropriate training, j) Structures and systems that support.

RESEARCH METHODS

The research method used in this research is descriptive and verification research methods using a combination of quantitative and qualitative approaches. The data collected was tested for validity, reliability, classic assumption and data normality tests. To measure the dominant factors which influence employee engagement in MSME business operators, Confirmatory Factor Analysis is used. The respondents selected in this study were 45 for businesses whose sales were offline and also online in the city of Bandung with Google form. The steps in Confirmatory Factor Analysis are:

1. Using a mean gauge,

To find out the weighted average of the answers of respondents to each question on each total variable as well as on each dimension and indicator of these variables, and this result is usually used for descriptive analysis.

The results or the mean and standard deviation of each of the factors studied will show information about the condition of these factors in accordance with the size of the two values.

2. Confirmatory Factor Analysis Test

This AFK test is carried out with two models, namely 1) Measuring of Sampling Adequacy (KMO: Kaiser-Meyer-Olkin and Bartlett's Test of Sphericity) and 2) Anti-image Correlation Matrices. The first test KMO and Bartlett's intended to test whether the variables and samples studied can already be analyzed with AFK or not. Whether or not it can be further analyzed can be seen in the results of the MSA (Measure of Sampling Adequacy) by looking at the value of Bartlett's Test of Sphericity must be below 0.05 (significance level).

The second test or Anti-image Correlation Matrices is intended to see the MSA value of each factor or variable studied, if the result is below 0.05 then the factor / variable must be removed from the matrix and retested for KMO and anti image correlation . After doing or reviewing factors / variables whose values are below 0.05, a repeat KMO test is performed to see the Bartlett's Test of Sphericity Value, and if it is appropriate then an analysis is done with AFK (see the Anti-image Correlation table).

3. Factoring and Rotation Processes

The factoring and rotation process is the core process of factor analysis, which is extracting a set of variables, so that one or more factors are formed. In this process a number of tables will be produced that can conclude important things in the variable factors analyzed.

Communalities is the amount of variance of an initial variable that can be explained by existing factors. Extraction rate on variables / factors which is the highest number of variables / factors that exist (examined). This means that the percentage level of variation in the amount of variable / factor (the largest%) can be explained by the factors formed. While the lowest extraction number comes from variables / factors (factors / variables that have the lowest percentage) ", this means that only for that percentage variation in the magnitude of variables / factors can be explained by the factors formed. The greater the extraction value of a variable / factor, means the more closely related to the formed factor.

3. Component matrix

the results of the rotation process (Rotated Component Matrix) show a clear and real distribution of variables. The number of factor loadings presented shows the variable relationship

RESULTS AND DISCUSSION

After analyzing the data, all data are valid and reliable because the data are more than the specified criteria, which are 0.30 for validity and 0.70 for reliability, with the results being an average validity of 70.5 while reliability is as follows:

Table 3:Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.905	.915	17

The level of contribution of each questionnaire tested against the factor of each dimension studied from the employee engagement variable can be stated as follows.

Table 4:Component Matrix^a

	1	2	3	4
VAR00001	.750	-.283	-.093	-.281
VAR00002	.728	.100	-.328	.172
VAR00003	.560	.478	-.093	.073
VAR00004	.651	.090	-.328	-.021
VAR00005	.577	-.208	.579	-.120
VAR00006	.534	-.438	.303	.215
VAR00007	.611	-.075	.451	.148
VAR00008	.641	-.285	.255	-.144
VAR00009	.872	-.050	-.186	-.205
VAR00010	.579	-.346	.126	.404
VAR00011	.784	-.119	-.227	-.121
VAR00012	.715	.186	-.391	.138
VAR00013	.892	-.036	-.075	-.287
VAR00014	.305	-.235	-.248	.788
VAR00015	.815	.082	-.051	-.212
VAR00016	.479	.685	.360	.211
VAR00017	.531	.583	.370	.080
Extraction Method: Principal Component Analysis.				
a. 4 components extracted.				

1. For the Will dimension of 17 statements measured against 45 SME business respondents, showed positive support.
2. For the contribution dimension of 17 statements measured against 45 SME business respondents, positive support was only provided by 7 statements and the remaining 10 gave a negative or unsupportive attitude from SMEs.
3. For the enthusiasm dimension of the 17 statements measured against 45 SME business respondents, positive support was only provided by 7 statements and the remaining 10 gave a negative or unsupportive attitude from SMEs.
4. For the Pride dimension of 17 statements measured against 45 SME business respondents, positive support was only provided by 9 statements and the remaining 8 gave a negative or unsupportive attitude from SMEs.

Based on the results of the above analysis it can be determined that the Small and Medium Enterprises in Bandung City that:

1. All business actors have a business will that is still strong or 100% while COVID 19 is running in the city of Bandung.
2. Business actors who still have a positive contribution of 41.18% of the business and the remaining 58.82% have a negative contribution while COVID 19 is running in the city of Bandung. This means that the level of dependence of the business they are engaged in has decreased.
3. For the enthusiasm of business people when Covid 19 in the city of Bandung only around 41.18% the remaining 58.82% no longer expected the business they were engaged in.
4. Pride of business pealkers including income from the family currently only stands at 52.92% and the remaining 47.08% no longer feels proud of SMEs when COVID 19.

Furthermore KMO value will determine whether further analysis can be done or not, can be seen in the table below.

Table 5:KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.787
Bartlett's Test of Sphericity	Approx. Chi-Square	482.131
	df	136
	Sig.	.000

Based on the table above shows that the KMO of 0.787 is greater than 0.05 and the sign is 0.00 so the analysis can be continued.

To find out how many dominant factors from the analysis unit were 17 factors, Initial Eigenvalues showed 4 factors with a value of 7,516, 1,692, 1,520, 1,256 with a contribution percentage of 70.50%, more comprehensive can be seen in the table below.

Tabel 6:Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.516	44.212	44.212	7.516	44.212	44.212
2	1.692	9.955	54.167	1.692	9.955	54.167
3	1.520	8.942	63.108	1.520	8.942	63.108
4	1.256	7.388	70.497	1.256	7.388	70.497
5	.928	5.459	75.956			
6	.715	4.207	80.163			
7	.619	3.640	83.803			
8	.580	3.413	87.216			
9	.465	2.736	89.951			
10	.423	2.486	92.438			
11	.334	1.966	94.403			
12	.315	1.854	96.257			

13	.201	1.182	97.439		
14	.162	.951	98.391		
15	.111	.654	99.045		
16	.105	.618	99.663		
17	.057	.337	100.000		

Extraction Method: Principal Component Analysis.

The four dominant factors above can be identified more specifically based on the table below, namely by identifying the fourth highest value of the 17 factors studied. The four factors are 1)

Table7: Dominan Factors

VAR00013	1.000	.885
VAR00016	1.000	.873
VAR00009	1.000	.840
VAR00014	1.000	.831

Table 8:Communalities

	Initial	Extraction
VAR00001	1.000	.730
VAR00002	1.000	.678
VAR00003	1.000	.556
VAR00004	1.000	.539
VAR00005	1.000	.726
VAR00006	1.000	.616
VAR00007	1.000	.604
VAR00008	1.000	.578
VAR00009	1.000	.840
VAR00010	1.000	.634
VAR00011	1.000	.694
VAR00012	1.000	.717
VAR00013	1.000	.885
VAR00014	1.000	.831
VAR00015	1.000	.718
VAR00016	1.000	.873
VAR00017	1.000	.766

Extraction Method: Principal Component Analysis.

These four factors are 1) Right now I really enjoy my work or business, 2) Right now I am fully supported by my family in running this business or work, 3) I currently feel attached and comfortable with my work / business, 4) At this time I am sure that the government supports my business / work.

Based on the results of the above analysis it can be stated that there are 4 dominant factors out of the 17 factors analyzed, all four factors have a total contribution of

70.50% and the remaining 29.50% is determined by other factors as many as 13 factors.

CONCLUSIONS AND SUGGESTIONS

After research and analysis can be concluded as follows:

1. All business actors have business will that is still strong or 100% while COVID 19 is running in Bandung. 2) Business actors in the city of Bandung have contributed negatively and the contribution is quite small. 3) The level of enthusiasm of the business people when Covid 19 in the city of Bandung is quite small 4) The pride of business traders including the remuneration from families is still quite large towards SMEs when COVID 19
2. There are four dominant factors that determine the employee engagement of SMEs in Bandung, namely 1) Currently I really enjoy my work or business, 2) I am currently fully supported by my family in running this business or work, 3) I currently feel attached and comfortable with my work / business, 4) At this time I am sure that the government supports my business / work.
3. The total contribution of the dominant employee engagement factor of 70.50% and the remaining 29.50% is determined by other factors from 13 other factors.

SUGGESTION

Particularly the decision makers in the city of Bandung in particular and generally in West Java must immediately take advantage of the value of pride and business will of the SMEs who are still strong, because the contribution and enthusiasm of the business from them has faded. The policy taken must also consider the dominant factors that determine their attachment to the business. The importance of decision making alignments towards MSME actors because this sector is able to lower the unemployment rate and has a large contribution to the GDP of the City of Bandung and West Java.

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