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COMPARATIVE STUDY AND DOMINANT FACTOR EMPLOYEE ENGAGEMENT MICRO SMALL AND MEDIUM ENTERPRISES IN THE SECTOR OF SERVICES AND NON-SERVICESAT THE COVID 19 TIME IN THE BANDUNG CITY-WEST JAVA

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ABSTRACT

The purpose of empirical studies are considered important in this research are; 1) try to compare between the two service groups and MSME services quantitatively in terms of employee engagement whether it makes a difference when Covid 19, 2) whether the same dominant factors affect both business groups, 3) how much the contribution of each dominant factor every sector of employee engagement. From the results of the study, it is expected that there will be a basis for making policies and decisions from interested parties such as local and central government in the recovery sector, when the Covid 19 pandemic is running.

The method used in this research is verification by using. The data collected was tested for validity, reliability, classic assumption and data normality tests. To measure the dominant factors that influence employee engagement on SMEs, a Confirmatory Factor Analysis is used. Respondents who were selected in this study were 76 people for businesses whose sales are offline as well as online, which are engaged in the Non-service and Services sector in the city of Bandung with Google form. To measure whether there are differences between the two business sectors due to the effect of Covid 19 on employee engagement the Wilks Lamdha statistical test was used

The results showed that different tests showed there were differences between Non-service MSMEs and services in dealing with Covid 19. For non-service MSMEs there were four dominant factors that determined employee engagement, with a contribution of 70.50%, while for the service sector there were two dominant factors with a total contribution of 76.39% .

The conclusion of this research is that there is a difference between Non-Service MSMEs and Services when dealing with Covid 19, found 4 dominant factors in non-service MSMEs and 2 dominant factors in service MSMEs with each very decisive contribution.

Keywords: MSMEs, Covid 19, Employee Engagement, Non-services and Services

PRELIMINARY

At the time of the study the data report was reported on the Twitter account @BNPB_Indonesia Tuesday (7/21/2020) afternoon, there were 1,655 new cases. So that the total cases of corona virus in Indonesia became 89,869 people. For the number of patients who recovered to 1,489 so that the number of patients who recovered to 48,466, and those who died increased by 81 people, thus the number who died was 4,320 people. The data was suspect with 44,003, 22,262 specimens for 34 provinces and 469 regencies / cities in Indonesia. Based on the data, it was written as a scientific responsibility as an educative staff for research related to continued MSMEs, regarding employee engagement with an emphasis on comparative service and non-service sectors among MSME businesses in Bandung. While the dominant factors and the amount of contribution that influence the object of this study become the second goal.

Based on previous research (DedenSutisna, at.al. 1: 2020) it was stated that:

1. "Nationally, the number of MSMEs affected by Covid-19 which has been recorded by the ABDSI Crisis Center 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 business actors and small (MSE), especially daily businesses. They include daily culinary traders, street vendors, tourism-related businesses, and creative services.

"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.
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.

The Chair of the ABDSI Crisis Center MSME Data and Plans Center, HelmaAgustiawan, said that the biggest impact experienced by the SMEs was the drop in demand, which complained about 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.

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.

2. 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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Based on these two conditions, it appears that the COVID 19 pandemic is propagating the structure of the Indonesian economy, including West Java and Bandung. Some of the empirical findings above show that all sectors affected include Micro, Small and Medium Enterprises in the City of Bandung. The business actors are grouped into two broad categories, namely group and service sector and non-service or industry or production. Based on data in the city of Bandung, the number of these two groups appears to be very large and is largely carried out by the urban community.

The data in the table above shows that the number of economic actors is quite large and has the potential to provide GDP to the city of Bandung. With the existence of Covid 19 the potential for decreasing support to GDP will inevitably occur. For this reason, the importance of studies from various parties on the tendency of various potential problems to be faced or even already faced by these economic actors, which require solutions as a therapy for healing. One of the empirical studies that are considered important according to this study are; 1) try to compare between the two business groups qualitatively in terms of employee engagement and quantitatively whether there is a difference, 2) whether the same dominant factors affect both business groups, 3) how much the contribution of each dominant factor of each sector to employee engagement. From the results of the study, it is expected that there will be a basis for making policies and decisions from interested parties such as regional and central government in the recovery sector.

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 the high emotional connection that an employee feels to the work that he is currently undergoing.

Furthermore, some experts conveyed the Limitations on ap 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 duties 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 with 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 employee processes

Croston (2008) also states 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) Work that performs.

RESEARCH METHODS

The 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 that influence employee engagement in MSME businesses, a Confirmatory Factor Analysis is used. Respondents selected in this study were 76 people for businesses whose sales were offline also online in the city of Bandung with Google form. The two businesses are grouped into service and non-service or production sectors. To measure whether there are differences between the two business sectors due to the effect of Covid 19 on employee engagement the Wilks Lamda statistical test was used.

Difference Test of Two Mean / Frequency of Interest Data and Learning Outcomes Researchers in this study used the t-test to differentiate from the two means derived from the study sample, this can be done if the data obtained from the sample is not normally distributed then the formula is used Chi-Squre (X2). This test uses Wilks' lambda and significance values. If the Wilks' Lambda number approaches 0, then there tends to be a difference in groups.

Hypothesis Decisions with a significance value:

• If the significance is> 0.05, there is no difference in the groups
• If the significance is <0.05 then there are differences in the groups

All of the variables above are sig <0.05, so the three variables make a difference in decision making (Y).

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 the variable, 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 Bartlet'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 the Bartlett's Test of Sphericity must be below 0.05 (level of significance).

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 performed 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 the variation of the variable / factor 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.

4. 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 relationship of variables with the seven factors formed. The purpose of this rotation process is to clarify the position of a variable on a factor and can be seen from the variables that are correlated with a factor.

RESULTS AND DISCUSSION
Data Test
Based on the results of the test data of the two units of analysis showed valid, reliable, normal distribution, heterescededas and multicollinearity did not occur, thus the data fulfilled the assumptions for parametric analysis.

Difference Test
Different test results show that:

1. The mean mean for Non-service MSMEs is 69 while the Services are 49.42.

2. There is a difference between Non-Service MSMEs and Services in employee engagement at Covid 19 because both Sign-Tiles are 0.00, and this number is <0.05.

Table 1:Group Statistics

	SERVICE MSME	N	Mean	Std. Deviation	Std. Error Mean
NONSERVICE MSME	1.00	38	69.0000	7.95256	1.29008
	2.00	38	49.4211	18.43855	2.99113

Table 2: Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means							
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
									Lower	Upper	
NONSERVICE MSME	Equal variances assumed	22.930	.000	6.010	74	.000	19.57895	3.25747	13.08829	26.06961	
	Equal variances not assumed			6.010	50.30	.000	19.57895	3.25747	13.03710	26.12079	

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

Table3: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.

Table 4:Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Component	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 by identifying the fourth highest value of the 17 factors studied.

Table 5:
Dominan Factors

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

Table 6: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%, the remaining 29.50% is determined by other factors as many as 13 factors.

Dominant Factors of MSME Employee Engagement Services

Table 7:KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.863
Bartlett's Test of Sphericity	Approx. Chi-Square	736.379
	df	136
	Sig.	.000

Based on the table above shows that the KMO of 0.863 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 2 factors with a value of 12987 with a contribution percentage of 76,391%, more comprehensive can be seen in the table below.

Table 8:Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	11.254	66.200	66.200	11.254	66.200	66.200

2	1.733	10.192	76.391	1.733	10.192	76.391
3	.892	5.245	81.637			
4	.610	3.590	85.226			
5	.562	3.306	88.532			
6	.389	2.290	90.822			
7	.334	1.967	92.790			
8	.286	1.685	94.475			
9	.220	1.295	95.770			
10	.202	1.186	96.956			
11	.131	.770	97.726			
12	.114	.670	98.396			
13	.100	.587	98.983			
14	.070	.414	99.397			
15	.048	.282	99.679			
16	.037	.215	99.894			
17	.018	.106	100.000			
Extraction Method: Principal Component Analysis.						

The two dominant factors above can be identified more specifically based on the table below, namely by identifying the highest two values of the 17 factors studied. The two factors are:

Table 9:Component Matrix[a]		
	Component	
	1	2
VAR00001	.921	-.004
VAR00002	.942	-.201
VAR00003	.825	-.238
VAR00004	.813	-.218
VAR00005	.885	.019
VAR00006	-.097	.866
VAR00007	.543	.678
VAR00008	.900	-.039
VAR00009	.906	.208
VAR00010	.495	.536
VAR00011	.854	.077
VAR00012	.862	-.016
VAR00013	.911	.034
VAR00014	.735	.029
VAR00015	.865	-.094
VAR00016	.895	-.023
VAR00017	.907	-.169
Extraction Method: Principal Component Analysis.		
a. 2 components extracted.		

Table10: Dominan Factor

	Component	
	1	2
VAR00002	.942	-.201
VAR00001	.921	-.004

CONCLUSIONS AND RECOMMENDATIONS

Based on the analysis results it can be concluded that the following conclusions are:

1. There is a difference between the Non-service MSME and Services sector when facing Covid 19.

2. There are four dominant factors that affect employee engagement of non-service MSME sector in the city of Bandung.

3. There are four dominant factors that affect employee engagement in the service sector MSME in Bandung.

4. The contribution of dominant factors both for the service sector and non-service MSMEtowards employee engagement with a large enough contribution.

As a suggestion, interested parties such as the government and business actors themselves can pay attention to these dominant factors in making policies and decisions to reduce and overcome MSME problems in dealing with Covid19.

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