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# TANGIBLE CONDITIONS OF HUMAN RESOURCES FACTORS IN MSME DECADE OF COVID-19 IN CITY OF BANDUNG-WEST JAVA-INDONESIA

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# ABSTRACT

This study aims to determine the condition of the tangible factors of the human resources of MSME business actors in Bandung City at the time of COVID-19. The consideration of this research was taken because this sector has a large population, is used by various professional and educational backgrounds, and this effort is flexible and becomes a helper for the economy of the poor, especially when COVID-19 became a world pandemic. The research method used is verification, descriptive and comparative with a total sample of 45 MSME actors. Data obtained by distributing google form questionnaires, after tabulation, the data is tested by validity, reliability, classical assumptions and normality. To answer the research objectives, the data was processed using SPSS Version 25 with the help of correlation coefficients, determination and descriptive analysis. The results showed that the competency of the human resources of MSME actors was very good, however, when viewed partially, the knowledge and skills they had were only good enough. This means that there are other competency elements that have a strong contribution to this variable, namely the attitude of them. Meanwhile, the current work environment is quite conducive and the performance is in very good condition. Based on the research results, it can be concluded that the tangible factor of human resources of MSME actors in Bandung City has different conditions, and has a strong relationship with intangible factors.

# **INTRODUCTION**

This research is a compilation result of several previous meetings that have the same plan, namely MSMEs in terms of Human Resources, when the COVID-19 occurred in Bandung City, the decade from March to December 2020. Research is considered important because MSMEs are a business community in Bandung City which it has a large community, contributes to high GDP and

is an institution that is very flexible in terms of its requirements, so that it can be carried out by every level of society.

Related to the tangible variable of the resources of MSME actors, it is a variable that is considered to have a direct impact on MSMEs, so this variable needs to be studied more deeply to ensure it is from the stakeholders such as actors, government, universities, research institutions and other related parties.

Opinion on competence, HR experts Spencer and Spencer (1993), stated that competence is "An underlying characteristic of an individual that is causally related to criterion-referenced effective and / or superior performance in a job or situation", namely workers who are generally associated with the criteria for effectiveness and / or superior performance in a job. This is from competence to have 5 competency characteristics that affect employee performance, namely, motives (motives), traits (characteristics), self-concept (self-concept), knowledge (knowledge), and skills (skills). The five characteristics will colour the competence possessed by each individual in behaving productively, which will determine whether or not it is good.

As explained above, the MSME sector has a high level of flexibility in all respects, including the human resources involved. At a glance it can be imagined, because this sector is multi-entry, the heterogeneity of actors cannot be avoided and this will certainly have an impact on performance. Especially for MSME players in Bandung City, the performance conditions before the occurrence of COVID 19 had a very important role and had a very large contribution to the GDP or gross domestic income of Bandung City (Deden Sutisna et al.).

Important notes for the Work Environment, Education, Training and Human Resources Performance of Micro, Small and Medium Enterprises in Bandung City are factors that always get the attention of various parties, because these factors are closely related to the running of business, including for MSMEs, although there are some differences that are characteristic of MSMEs compared to non-MSMEs. However, the theoretical basis is the same because they are both business units.

MSMEs in the city of Bandung in particular and West Java generally have their own records related to these factors. For example, regarding the business environment, in the city of Bandung the environment is very responding to the presence of MSMEs, so that the city of Bandung thrives with MSMEs. Until now, the number of MSMEs in Bandung has reached 128,000 (Tribun Jabar 8 Sept 2020: 20.13) however, it is rumored that the impact of COVID 19 will experience a setback. The following is a snippet of information related to MSMEs in the city of Bandung in particular and generally in West Java.

2) The results of research on MSMEs in the city of Bandung at the time Covid 19 were running showed that the employee engagement factor:

There are four dominant factors that influence MSME players, namely 1) All business actors have a strong business will or 100% when COVID 19 is running in Bandung City. 2) Business actors in Bandung City have contributed negatively and this contribution is quite small. 3) The level of enthusiasm of business people when Covid 19 in Bandung is quite small 4) Pride of my business people, including the respect of my family, is still quite large for SMEs when COVID 19 for the non-service sector. The total contribution of 70.50%, the remaining 29.50%, is determined by other factors as many as 13 factors (Deden Sutisna, 2020).

There are two dominant factors affecting MSME actors, namely 1) Currently micro, small and medium entrepreneurs do not give up easily when there are difficulties in working / business, 2) Currently they are always eager to go to work / business every day. Based on the results of the analysis above, it can be stated that there are 2 dominant factors out of the 17 factors analyzed from the service sector, these two factors have a total contribution of 76.39%, the remaining 23.61% is determined by other factors as many as 15 factors (Deden Sutisna, 2020).

Ridwan Kamil Encourages 37 Thousands of MSMEs Affected by Covid-19 to Move to Digital (Ronal - Thursday, 25 June 2020 09:00).

"Pasardana.id - The Governor of West Java (West Java), Ridwan Kamil, encourages micro, small and medium enterprises (MSMEs) to take advantage of technology to anticipate business opportunities in the New Habit Adaptation era (New Normal)."

"How not, according to him, people seem to limit themselves to their activities until the covid-19 vaccine is found. And if this continues to happen, then economic growth in West Java could be minus below 0 percent. "

"People want to make transactions, but they are lazy to move because they limit themselves as long as there is no drug or vaccine for Covid-19. This is an opportunity to take advantage of digital technology," said Emil, his nickname, at Pakuan Building, Bandung, Wednesday (24/6/2020).

"According to him, this opportunity can be utilized by MSME players, especially by 37 thousand businesses affected by the corona virus pandemic. In terms of trend, digital MSMEs in West Java rose 17 percent."

"Hopefully this pandemic will have a lesson. It is mandatory to migrate to digital," he explained.

This effort is at the same time to encourage economic growth in West Java in the range of 2 percent to 3 percent.

"If West Java does not make economic efforts, does not implement IMR in this June, the economic calculation result could be minus below zero percent.

With the opening of the economy, we can maintain a maximum of 2 percent to 3 percent," explained Emil.

That is what underlies it will allow the opening of 90 percent of the economy in the Blue Zone and 60 percent in the Yellow Zone. This also applies to business actors in the MSME sector so that their economic performance can start running.

For your information, in the framework of AKB, 90 percent of economic activities in the Blue zone have been opened, and 60 percent in the yellow zone.

"So, MSMEs and the economy can slowly return to their activities while we continue to control the Covid-19 pandemic with IMR," he added. <u>https://pasardana.id/news/2020/6/25/ridwan-kamil-dorong-37-ribu-umkm-terdampak-covid-19-pindah-haluan-ke-digital/</u>.

On the basis of the explanation above, the problem formulations that can be determined as the direction of this research are:

1. Current competencies possessed by MSMEs in Bandung need to be studied comprehensively with other related variables, which have a strong relationship.

2. The work environment, both physical and non-physical owned by MSME actors and having an impact on their business, needs to be studied comprehensively with other related variables, which have a strong relationship.

3. Performance which is the downstream of business units including MSMEs in Bandung City needs to be studied comprehensively with other related variables, which have a strong relationship.

Departing from the formulation of the problem above, the purpose of this set is to find out how the conditions of the tangible factors of the human resources of MSME business actors in Bandung City at the time of COVID-19 take place, for competence, business environment and MSME performance.

# **THEORETICAL BASIS**

The limits on the theoretical basis of this research are based on the variables studied regarding the scope of human resources for Micro, Small and Medium Enterprises actors. Thus the theory of competence, business environment and performance will systematically be discussed.

According to Spencer and Spencer (1993), competence is "an underlying characteristic of an individual that is causally related to criterion-referenced effective and / or superior performance in a job or situation", namely characteristics that underlie an individual that is causally related to the criteria. -effective and / or superior performance in a job or situation. There are five competency characteristics that affect employee performance, namely,

motives (motives), traits (traits), self-concept (self-concept), knowledge (knowledge), and skills.

Motives is something where a person consistently thinks so that he takes action. Spencer and Spencer (1993) add that motives are "drive, direct and select behavior toward certain actions or goals and away from others". For example, someone who has achievement motivation consistently develops goals that give a challenge to himself and takes full responsibility for achieving these goals and expects some kind of "feedback" to improve himself.

Traits are traits that make people behave or how someone responds to something in a certain way. For example, such as self-confidence, self-control, fortitude or endurance.

Self-concept is the attitude and values that a person has. Attitudes and values are measured through tests to respondents to find out the value a person has and what attracts someone to do something.

Knowledge is information that a person has for a particular field. Knowledge is a complex competency. The knowledge of employees also determines the success or failure of the implementation of the tasks assigned to them. Employees who have sufficient knowledge will increase the efficiency of the company. However, employees who do not have sufficient knowledge will work intermittently. Waste of materials, time and energy as well as other production factors will be done by employees with less knowledge. This waste will increase the cost in achieving organizational goals.

Training and development in organizations begins when a person joins an organization and continues throughout his or her career within that organization, regardless of whether that person is an executive or line-up employee. Training and development programs must respond to job changes and integrate long-term plans with organizational strategies to ensure efficient and effective use of resources.

According to Sinambela (2016: 170) that "Training is defined as an activity designed to prepare employees who attend training with the knowledge and skills needed for their current jobs".

Anwar Prabu Mangkunegara (2011: 44) states "a short-term educational process according to Law No.20 of the Republic of Indonesia which uses a systematic and organized procedure in which non-managerial employees learn technical knowledge and skills for limited purposes". According to Wexley & Yulk in Edy Sutrisno (2012: 67), there are three reasons why in 2003 about the National Education System Chapter 1 Article 1 Paragraph 1 explains that "Education is a conscious and planned way to create an atmosphere of learning and learning processes so that students are active. develop his potential to have spiritual, religious, self-control, personality, intelligence, noble character and skills necessary for him, society, nation and state".

According to Ranupandojo (2002: 77) education is "an activity to increase a person's knowledge, including increasing mastery of theory and skills to decide on problems in achieving goals.

Community education provides opportunities for individuals to equip themselves with basic skills and knowledge to deal with their environment.

According to the Republic of Indonesia Law No. 20 of 2003 concerning the National Education System Chapter 1 Article 1 Paragraph 1 explains that: "Education is a conscious and planned way to create an atmosphere of learning and learning processes so that students actively develop their potential to have spiritual potential. religion, self-control, personality, intelligence, noble character and skills needed by him, society, nation and state ".

The performance of an employee is an individual matter, because every employee has different levels of ability in doing their job. Management can measure employees for their performance based on the performance of each employee. Performance is an action, not an event. The performance action itself is made up of many components and is not an immediate visible result. Basically, performance is something that is individual, because every employee has a different level of ability to do their job. Performance depends on the combination of ability, effort and opportunities obtained.

Edison (2016) states that:

"Performance is the result of a process that is referenced and measured over a certain period of time based on a predetermined agreement or condition."

According to Sutrisno (2016), "Performance is a person's success in carrying out a task, the work results that can be achieved by a person or group of people in an organization in accordance with their respective authority and responsibility or how someone is expected to function and behave in accordance with the tasks that have been assigned to him and the quantity. quality and time spent. "

According to Sutrisno (2010; 67) the work environment is the entire work facilities and infrastructure around employees who are doing work which can affect the implementation of work. This work environment includes workplaces, work facilities and aids, cleanliness, lighting, tranquility, as well as working relationships between the people who are there. Meanwhile, according to Sedarmayanti (2013: 23) states that the work environment is the entire tooling tool and material faced, the surrounding environment where a person works, his work methods, and work arrangements both as individuals and as groups.

In addition, Mangkunegara (2014) states that:

"Employee performance is the result of work in quality and quantity achieved by an employee in carrying out their duties." Factors that affect performance according to Sutrisno (2016) are:

## Effectiveness and efficiency

In relation to organizational performance, the measure of good or bad performance is measured by effectiveness and efficiency. The problem is how the process of organizational efficiency and effectiveness occurs. It is said to be effective when it reaches the goal, it is said to be efficient if it is satisfying as a driving force to achieve the goal.

#### Authority and Responsibility

In a good organization, authority and responsibility are well delegated, without overlapping tasks. Each employee in the organization knows what their rights and responsibilities are in order to achieve their goals.

#### Discipline

In general, discipline shows a condition or attitude of respect that exists in employees towards company rules and regulations.

#### Initiative

Someone's initiative is related to thinking power, creativity in the form of ideas to plan something related to organizational goals.

In the company it is very necessary to hold a job evaluation where the goal is to improve or improve organizational performance through increasing the performance of the organization's HR. More specifically, the objectives of performance evaluation as stated by Sunyoto in Mangkunegara (2014) are: 1) Increasing mutual understanding between employees regarding performance requirements. 2) Recording and acknowledging the work results of an employee, so that they are motivated to do better, or at least have the same achievement as previous achievements.

Performance is the result or overall success rate of a person during a certain period in carrying out a task compared to various possibilities, such as work standards, targets or targets or criteria that have been determined in advance and have been mutually agreed upon. The following is the definition of employee performance according to several experts: According to Mathis and Jackson (2011: 378) performance is basically what employees do or not do. Employee performance common to most jobs includes the following elements: quantity of results, quality of results, timeliness of results, attendance and cooperation. According to Bangun (2012: 231), performance is the result of work achieved by a person based on job requirements (job requirements). A job has certain requirements to be able to achieve goals which are also known as job standards. Gomes, Faustino Cardoso (2010: 162) states that

performance is a record of the outcome of a particular job function or employee activity during a certain period of time.

#### METHOD

This research was conducted in the city of Bandung-West Java, Indonesia, on MSMEs for various types of businesses. The results of the study are comparative from various variables or aspects related to workers' human resources, resulting in various scientific information that can be used as a reference for making policies for this sector. The research method used is verification and descriptive, with a sample of 45 MSME actors and assisted by SPSS Version 25 in testing data such as the validity test, reliability test, normality test and classical assumption test. In determining the degree of relationship and influence of each variable studied, the correlation coefficient and termination are used.

# **RESULTS AND DISCUSSION MSME HR Competencies**

Competence is a combination of knowledge, skills and attitude of each individual worker in an organization, including business people. This competency will of course be greatly influenced by various aspects such as education, work experience, work environment, seminars, workshops that are followed and so on. The higher the competency, the better the performance of the organization or a worker. The conditions of the competency of MSME players in the city of Bandung during covid 19, namely:

 Table 1: Summary Item Statistics

	Me	Minim	Maxim	Ran	Maximum /	Variance	N of
	an	um	um	ge	Minimum		Items
Item	4.4	3.850	4.775	.925	1.240	.041	42
Means	08						

Based on the table above, it shows that the mean score of the questionnaire data shows the result of 4.41, meaning that the condition of the competence of MSME actors in the city of Bandung is at a very good grade, because it is at 4-5 intervals.

This research can be concluded as follows:

The condition of the competence of MSME players in the city of Bandung is in a very good grade, because it is located at 4-5 intervals.

## Education

The level of education studied, both formal and non-formal, has been taken by every MSMEs actor in the city of Bandung.

	Mea	Minimu	Maxim	Rang	Maximum /	Varian	N of
	n	m	um	e	Minimum	ce	Items
Item	3.86	3.200	4.156	.956	1.299	.066	10
Means	4						

Table 2: Summary Item Statistics for Education

The education that MSMEs in Bandung currently have is quite adequate, meaning that their educational background and their knowledge are average to lower middle, can read and write, understand IT and market developments and can make transactions in basic national languages and standards. The research result interval was at 3.00 - 4.00 with a good enough level.

#### Human Resources Skills

Skills are a form of ability obtained by MSME actors through workshops, simulations, hands-on practice, apprenticeships and technical or technical guidance. This training will be specific to MSME actors according to their needs in their daily activities. The training conditions currently owned by this business actor are:

#### Table 3: Summary Item Statistics for Skill

	Mean	Minimu m	Maxi mum	Range	Maximum / Minimum	Varian ce	N of Items
Item Means	3.680	2.756	4.222	1.467	1.532	.304	5

The mean shows 3,680 meaning that currently the skills possessed by this business actor are in a sufficient condition to run their business, because they are in the interval 3.00 - 4.00.

# Work Environment

Is a condition that is physical or non-physical in the business environment that is owned or located around the UMKM place. This environment exists because it is related to MSME activities in their daily lives. The results of research regarding the environmental conditions of MSMEs are as follows:

**Table 4:** Summary Item Statistics for Business Environment

	Mean	Minimu	Maxim	Ran	Maximum	Varianc	N of
		m	um	ge	/	e	Items
					Minimum		
Item	3.958	2.778	4.556	1.77	1.640	.291	10
Means				8			

Condition of MSME Performance

Performance is a downstream from the organization including the workers in it. The measure of performance is the standard of success or vice versa of the organization or worker. Therefore, this measure becomes an important existence in any assessment of an organization or worker. Especially for the performance of MSMEs in the city of Bandung during COVID 19, it can be seen from the following results:

#### **Table 5:** Summary Item Statistics (Performance)

Mean	Minimu m	Maximu m	Range	Maximum / Minimum	Variance	N Items	of
4.416	4.050	4.675	.625	1.154	.029	16	

The results showed that the mean was 4,416 or in other languages, that the performance conditions of MSME actors during COVID19 were in very good condition, because 4,416 were in 4-5 intervals and were in very good areas.

Based on the research results of several tangible variables, the matrix can be arranged as follows:

No.	Variable	Dimension Variable	<b>Research Result</b>	Description
1.	Competence		4.408	Very Good
		Education	3.864	Quite good
		Skills	3.680	Quite
				sufficient
2.	Working		3.958	Quite
	environment			conducive
3.	Performance		4.416	Very Good

#### Table 6: Research Variable Matrix

On the basis of the matrix table above, the following analysis can be presented:

1. The competence of MSME players in Bandung is very good, meaning that the knowledge, skills and attitude of MSME players are very good for running their business. However, if it is related to the dimensions of this variable, it turns out that the knowledge and skills they have are only up to the level of good enough and quite adequate, even though the totality of the competence of business actors is very good, meaning that their attitude value has a very significant value. The attitude value lies in the motive, traits and self-concept.

2. The work environment, both physical and non-physical, is owned by MSME actors and has an impact on their business at a sufficiently conducive position or level. This means that this business environment is still not optimal in supporting MSME businesses in Bandung City during COVID 19.

3. Performance which is the downstream from business units including MSMEs in the city of Bandung shows a very good condition. This means that the end result of the business actor's business process is in accordance with the final business achievement. Departing from this, it is necessary to map again that this good down streaming is of course more caused not by tangible or direct HR factors but intangible or indirect aspects of the competence of MSME actors in the form of attitude.

#### CONCLUSION

After doing research, data processing and data analysis can be concluded as follows:

1. Tangible or direct HR factors owned by MSME players in the City which directly affect the activities of MSME players in the City of Bandung today are seen from very good competence. However, when viewed from the competency dimension partially, both from the education and expertise they have, the conditions are quite good, the weak support of these two dimensions indicates that the tangible factor support is less good than the intangible factor in the form of attitude.

2. The current environment for MSMEs is not yet optimal, only in conditions that are quite conducive both physically and non-physically.

3. The performance of MSME players during COVID-19 shows a very good condition, meaning that the output of them is currently approaching the optimization of its contribution. The very good condition of this condition is specifically driven more by intangible or indirect factors from the MSME HR in the city of Bandung compared to the tangible factor.

#### **SUGGESTIONS**

1. The condition of direct factors or tangible HR MSME actors in the city of Bandung needs attention to be improved or pushed better. This push will be able to further optimize the performance of brands in the era of COVID-19. The conditions of these factors are education, expertise and also the business environment.

2. Their attitude factor is maintained to remain conducive, because their current motives, traits and self-concepts significantly support their performance.

#### RECOMMENDATIONS

1. The UMKM business institution does not belong to individuals, but is massive in nature. Therefore, the one who has the obligation to encourage and develop is the government, while other stakeholders are only supporting. For this reason, it is necessary to take strong policies by the city government in terms of education, training and the business environment, for example by local regulations.

2. UMKM institutions need to find an appropriate form, so that their business rights are legally protected. This clear institutional form will be easy in coaching and development by related parties, and this form must be further studied by various parties before it is determined, because it must have their characteristics and characteristics that are not shared by other business forms,

for example high flexibility. The government, universities, non-governmental organizations, research institutes and observers of UMKM in Bandung have a decisive position in the formation of this institution.

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