

How To Improve The Performance Of Smes During The Covid 19 Pandemic

Susilatri¹, Nur Azlina², Desmiyawati³

¹Faculty of Economy and Business, University of Riau, Indonesia (email :
susilatri1910@gmail.com)

²Faculty of Economy and Business, University of Riau, Indonesia

³Faculty, University of Riau, Indonesia

ABSTRACT

The Covid 19 pandemic directly affected the performance of SMEs. internal factors that affect the performance of SMEs consist of human, financial, technical production as well as market and marketing aspects. The formulation of the problem under this study is whether the influence of information technology and human resources competencies affect the performance of small and medium enterprises (SMEs)?. This study aims to examine the effect of information technology and human resources competencies on the performance of small and medium enterprises (SMEs). This research was conducted in Rokan Hulu on the performance of SMEs during the covid-19 pandemic. The population in this study were all SMEs in Rokan Hulu Regency registered with the Cooperatives and SMEs Service, totaling 27,074 SMEs. The sample used was 96 SMEs which are calculated using the Slovin formula while the criteria for the sample taken in this study were purposive sampling. This research uses primary data, data collection by sending questionnaires to respondents. The analytical method used in this study is multiple linear regression analysis. The analysis tool used is SPSS version 25.0 and the results of this study indicate that information technology and human resources competence have a significant effect on the performance of SMEs.

Keywords: Information Technology, Human Resources Competence, SMEs Performance

INTRODUCTION

Pandemic covid19 that has hit the world today has also had an impact on the performance of SMEs in rokan hulu regency with the existence of social restrictions, traditional marketing has decreased drastically. The development of digital technology allows SMEs to market their products online and make transactions through human resources through the online banking system as well. The development of digital technology has changed marketing from small and medium enterprises (SMEs), which was previously carried out conventionally to digital by utilizing the use of social media and the use of websites to market their products. The use of online media is the right choice for SMEs to develop the business they run. Today's easy internet access, the amount of benefits that are obtained, and the low cost required are the main reasons for SMEs before they finally choose online media as the right solution to expand their business reach.

According to research conducted by Safik and Suparwati (2013), it is stated that a significant factor affecting the performance of SMEs is the human resources aspect. Human resources is one of the factors that also affects performance. Human resources is one of the factors that also affects the performance of SMEs. The human resources factor is the main capital to make SMEs more professional. This is because a business unit is determined by how the individuals seen in it manage the business. The performance of SMEs must be accompanied by business development, however, SME development must be accompanied by human resource development in various aspects. Quality of human resources is needed, especially in the field of human resources competencies such as knowledge, skills and abilities in entrepreneurship (Ardiana, et al, 2010). The results of research conducted by Andresta & Sandra (2015), Yuliana & Filatrovi (2019) stated that information technology has an effect on the performance of MSMEs.

Research by Santoso et al (2015), Hariyanto (2016), Sulistyandri et al (2016) proves that there is influence of human resources on the performance of mSMEs. research by Purwaningsih et al (2019) states that human resources have no effect on the performance of SMEs.

The objectives of this study are as follows: (1) to determine the effect of information technology on the performance of small and medium enterprises (SMEs) in rokan hulu regency. (2) to determine the effect of human resources competence on the performance of small and medium enterprises (SMEs) in rokan hulu regency.

LITERATURE REVIEW

SMEs Performance

The performance of SMEs is a collection of workers who are interdependent on tasks and responsibilities for results that enable people to work together (Cohen & Bailey, 1997). The definition of performance according to Lumpkin and Dess (2012) is a multidimensional concept, and the relationship between entrepreneurial orientations and performance can depend on the indicators used to assess performance.

Information Technology

According to Ali & Wangdra (2010: 3), information technology is a technology that utilizes computer technology, the internet, any telecommunication technology that can provide added value to the activities and operations of an organization or company. Meanwhile, according to Sutarman (2009: 13) information technology is a study, design, development, implementation, support or management of computer-based information systems, especially software applications and computer hardware.

The Influence Of Information Technology On The Performance Of SMEs.

Information technology is the process of exchanging data and messages without the constraints of space and time. Information technology is also defined as a set of different tools including hardware, information theory, data networks, workstations and artificial intelligence (robotics), that the use of this information is a systematic process used to carry out an activity. (Aslizadeh, Ahmad, 2014). Therefore, information technology provides support for the company's operations effectively and efficiently. Information technology is useful for reducing costs in business activities, especially for SMEs to allocate and save their budgets for other uses (Muafi and Roostika, Ratna, 2014). The first hypothesis in this study is:

H1: Information technology affects the performance of SMEs

The Influence Of Human Resource Competencies On SMEs Performance

Performance effectiveness is a condition that shows the level of success of management activities in achieving goals. This success includes the quantity of work, good quality of work and timeliness in completing work. Human resources are the spearhead that will determine the success of the implementation of micro, small and medium enterprises activities. One of the factors that support performance effectiveness is competence, which is good work performance or performance effectiveness.

(Wibowo, 2010: 324) Suggests that competence is the ability to perform or carry out a job or task that is based on skills and knowledge and is supported by the work attitude demanded by the job. Competence can be used as the main criterion for determining a person's performance results. The second hypothesis of this study is:

H2: competency of human resources affects msme performance]

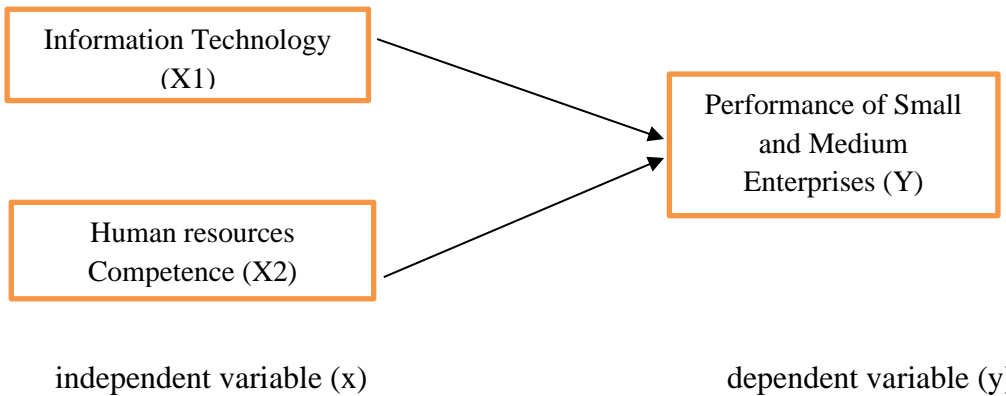
Human Resources Competence

Competence is defined by Mitrani et.al, (1992) in Ardiana, et al (2010) as: An underlying characteristic's of an individual which is causally related to criterion-referenced affective an or superior performance in a job or situation."

Research Model

The research model in this study is as follows:

picture. 1 research model



METHODOLOGY AND DATA ANALYSIS

The research population is all SMEs in Rokan Hulu regency registered with the cooperatives and SMEs service, totaling 27,074 SMEs. In research to calculate the sample size using the Slovin formula. Based on calculations from the Slovin formula, the sample in this study was 96 SMEs, with multiple linear regression analysis using a tool, namely SPSS Software version 25.

RESULTS AND DISCUSSION

The results of testing the hypothesis in this study can be seen in table 3 below:

table 3 multiple linear regression analysis

model	unstandardized coefficients		standardized coefficients	t	sig.
	b	std. error	beta		
(constant)	-5,532	2,422		-2,284	.025
information technology	.468	.104	.253	4,490	.000

human resources competencies	.252	.030	.324	8,277	.000
a. dependent variable: sme performance					

Source: data from SPSS 25.0, 2020 output

The results of testing the first hypothesis in this study indicate that information technology will provide an increase in the performance of SMEs so that information technology is needed to develop or empower SMEs. Information technology is also defined as a set of different tools including hardware, information theory, data networks, workstations and artificial intelligence (robotics), that the use of this information is a systematic process used to carry out an activity. (Aslizadeh, Ahmad, 2014). Therefore, information technology provides support for the company's operations effectively and efficiently. Information technology is useful for reducing costs in business activities, especially for SMEs to allocate and save their budgets for other uses (Muafi and Roostika, Ratna, 2014). During the Covid 19 pandemic, the use of information technology was very beneficial for SMEs, especially in obtaining raw materials, marketing products and even calculating the budget and business results so as to improve the performance of SMEs.

Andresta's research, Qamarani Sandra (2015) stated that information technology affects the performance of SMEs. Vargas, Héctor Cuevas et al. (2016) have also proven that information and communication technology also affects the performance of SMEs, supported by research by Rahmi Yuliana & Eldes Willy Filatrovi (2019), which has proven that information technology has a positive effect on business performance.

The results of testing the second hypothesis in this study indicate that human resources competencies will provide an increase in the performance of SMEs so that human resources competencies are needed to develop or empower SMEs. Competence can be used as the main criterion for determining a person's performance results. The results of Sulistyandari's (2016) research show that in general human resources competencies consisting of knowledge, abilities, and skills have a positive and significant effect on company performance.

The better the human resources competencies possessed by SMES, the easier it will be for SMES to run their business. Competent human resources will produce good performance such as making various product innovations, efficient raw materials and time so that it will improve business results and overall performance of SMEs.

SUMMARY

The conclusion obtained is that information technology and human resources competencies have an effect on the performance of SMEs in Rokan Hulu regency during the Covid 19 pandemic.

IMPLICATIONS / LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH

The implication of this research is that SMEs must improve their performance by using information technology, increasing their human resources competencies. limitations of this study, unable to conduct in-depth interviews because of a Covid-19 pandemic situation. Suggestions for further researchers, using other variables such as competitive advantage, accounting information systems and others. Conducting in-depth interviews with SMES players in addition to questionnaires to obtain supporting data.

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