

Market Orientation Strategy And Enterprise Orientation Towards New Normal (Covid-19) Effect And Business Performance At MSMEs In East Jakarta

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ABSTRACT.

Our expectation of this research is verifying a relationship between the Empowerment Strategy as well as the Micro Business Development during the Covid-19 Pandemic with the Income Level of SMEs in East Jakarta. The object of research is the Management business owners of SMEs in East Jakarta (Duren Sawit, Jatinegara, Utan Kayu, Kramat Jati, and Klender). This research study uses a quantitative design. The primary data generated with the Google tools application and distributed online. The sampling method used is the Non Probability Sampling method. Data were collected as many as 100 samples. All document were analyzed by using SPSS 22.00 approach.

Based on the hypothesis test, the results are obtained simultaneously, namely The Market view, Entrepreneurial reorientation which will have a significant effect on the Business class Performance. In part, the New Normal Effect (Covid-19) expected to gain a positive impact on business management performance. MSME management should accurately more focused on variables that have a positive impact on management performance. By conducting of Market Orientation activities focusing on products for consumers in east Jakarta we hope that all management of MSMEs know well our need today. Not only that, dominate the market by coming up with new ideas in producing and managing MSMEs business in East Jakarta.

This is shown as the process results of our hypothesis testing and path description analysis that the market orientation variable (X1) has a significant influence on MSME actors in running a business (Y1) New Normal of condition (Covid-19) The influence in East Jakarta and the effect is positive 0.373. Market orientation variable (X1) has a significant effect on business performance (Y2) on MSMEs in East Jakarta and the effect is positive at 0.193. Variable X2 entrepreneurial orientation has a significant effect on (Y2) New Normal (Covid-19). Its effect on MSMEs in East Jakarta and its effect is 0.472. X2 the variable of entrepreneurial orientation has a significant impact on (Y2) Business Performance on all MSME actors in East Jakarta and the positive impact is at 0.217. The variable (Y1) New Normal (Covid-19) has a significant effect on (Y2) on Business Performance at MSMEs in East Jakarta and the effect is positive at 0.497.

KEYWORDS: Business Performance, East Jakarta, Entrepreneurial Orientation, Market Orientation, MSME; New Normal Effects (Covid-19).

1. INTRODUCTION

The COVID-19 pandemic shows that there are essential needs that must be fulfilled so that humans can stay alive, namely: eating, drinking, working, taking a rest and health (Geras, 1983: 72 in Mas'udi and

Winanti, 2020). The basic prerequisites for human life that pose a threat to health then have an impact on the occurrence of economic recession due to the cessation of the production process and the decline in consumption levels. This economic therapy was triggered by the people fears for their safety and isolation policies implemented by the government in several places to protect residents from the threat of the deadly corona virus.

The lockdown and self-isolation policies have effectively inhibited the spread of the corona virus (Ghosal, Bhattacharyya, and Majumder, 2020), but another impact that arises is that many work activities are forced to stop. For people who have sufficient savings or those who Erich Fromm (1961) also added another essential need, namely "sexual relations", because through sexual intercourse human reproduction can occur and prevent extinction.

During the new normal, the factor of space, some sectors public business, together with technology have enriched the dimensions of the class formation process along with the inequality between classes. Through the case of distance learning, it has shown how the ongoing class consolidation process exacerbates class inequality as a result of the absence of internet and electricity connections, as well as the limitations of the lower classes in accessing and having various digital instruments to access education. The imbalances that occur are not binary with new degrees of connectivity, and lead to digital inclusion and exclusion. This imbalance reflects the ongoing process of reproduction and strengthening of existing classifications (Seah, 2020).

Nevertheless, it can actually become a new opportunity structure to summarize the existing class gap and prevent class gap widening in the future, if the new normal is followed by new policies and norms that are free from class bias,

In Indonesia, the lockdown is a government policy to control the COVID-19 pandemic. This Social Restrictions on a Large Scale (PSBB) which applies among others in Bandung Raya (Bandung City and Regency, Cimahi City, West Bandung, and Sumedang), DKI Jakarta which is followed by five capital buffer regions (Depok City, Kota and Bekasi Regency, Bogor City and Regency), Tangerang area, Tegal City, West Sumatra Province, Pekanbaru City in Riau, and Makassar City are social policy of our government (Mashabi, 2020).

Mobility regulation emphasizes a freedom of human (citizen) mobility — including goods, social services and capital treatment will be a new pattern of power relations that will take shape after COVID-19, without being facilitated by a reorientation of policies in a new normal condition. The seeds in this direction, especially towards the formation of new norms, are sufficiently available in society. The development of citizen activism-based solidarity has begun to blossom in various corners of the country. However, this requires a serious policy reorientation towards building solidarity with humanity as the highest norm. This is very important to bridge class problems both as a product of the COVID-19 pandemic and as a continuation of economic-based class divisions since the past. On a more abstract level, the response to the threat posing the COVID-19 pandemic reminds us of the classic debate (between Hobbes, Locke and Rousseau) about why the state should exist, namely: protecting and safeguarding the fulfillment of citizens' rights and presenting justice equally as a manifestation of the social contract in the new normal era.

This research was applied to find out and dig deeper into the relationship between Market Orientation Strategy and the New Normal (COVID-19) Securities and business performance at MSMEs in East Jakarta, to analyze the effectiveness of the influence of entrepreneurial orientation strategies on the New Normal (COVID-19) concerning to the effect and business performance. At MSMEs in East Jakarta, supporting policy makers (Business entrepreneur and Staff or Officials of the Office of Cooperatives, MSMEs and East Jakarta City Trade) in making strategic decisions regarding Market Orientation Strategies and Entrepreneurial Orientation Towards the New Normal (COVID-19) Effect and Business Performance on UMKM In East Jakarta.

2. HYPOTHESIS DEVELOPMENT

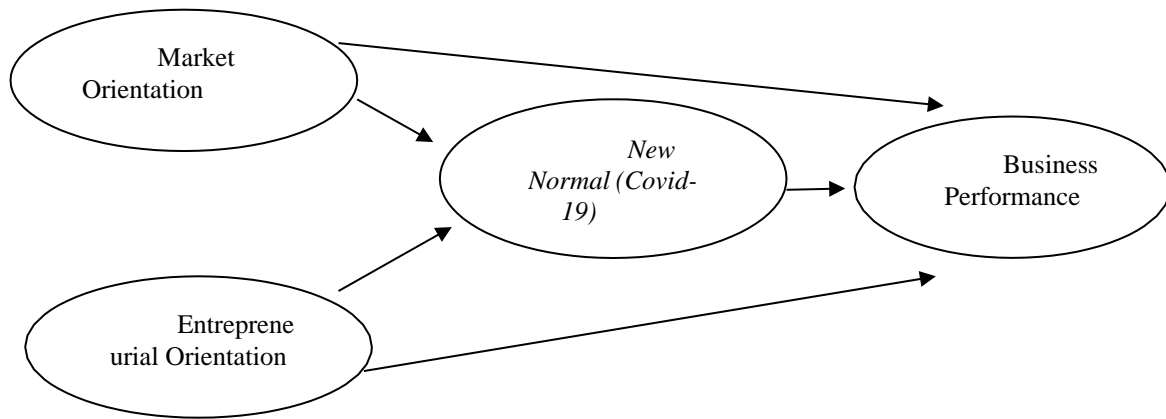


Illustration 1. Research Framework

Referring to the description and review of the previous literature, this research can be formulated as a hypothesis as follows:

1. H-1: Market orientation is thought to have an effect on the New Normal (Covid-19) Effect
2. H-2: Market orientation is suspected to have an effect on business performance
3. H-3: Entrepreneurship orientation is thought to have an effect on the New Normal (Covid-19) era
4. H-4: Entrepreneurial orientation is thought to have an effect on business performance
5. H-5: New Normal (Covid-19) era allegedly affects business performance

3. RESEARCH METHODOLOGY

This study uses a quantitative research design with associative research type. In this research we explore the relationship of more than two different variables in it. We shall discuss how much influence of independent variables Market Orientation (X1), entrepreneurial view or Orientation (X2) have on the dependent variable New Normal (Covid-19) era (Y1) and Business Performance (Y2). Basically, the starting point of the preparation of the instrument in the research variables that are determined to be studied. From these variables the operational definition given and then the indicators to be measured are determined. This indicator is then translated into questions or statements.

This research data was collected using various questions through google forms and observations. The questionnaire is the statement items in the questionnaire based on the variable indicators. Respondents choose one of the alternative answers provided following the measurement with the Likert scale. The instrument is used to measure attitudes, opinions and perceptions of a person or group of people about social phenomena (Sugiyono, 2015: 134). This measurement variables to be measured by variable indicators.

The data of this study were analyzed using SPSS 22.00, with statistical techniques such as validity and reliability tests for variable statement items used in the questionnaire. Additional analysis is also carried out with the classical assumption test, F-test and t-test to prove the hypothesis. The validity test is to find out the value of a respondent's answer, then we correlate the answer value with the answer. If there are answers that do not meet the requirements, they will not be re-checked.

Juliandi (2013: 83), reliability has various other names such as trust, reliability, stability. The purpose of reliability is to see whether the research instrument is a reliable and trustworthy instrument. According to Ghazali (2011: 160), this test aims to test whether in the regression model confounding

or residual variables have a normal distribution. One way to test is by looking at the normal probability plot, if the data spreads around the diagonal line and follows the direction of the diagonal line, the regression model fulfills the assumption of normality. According to Ghozali (2011), the multicollinearity test aims to test whether the regression model found a correlation between the independent variables. The regression model assumes that the independent variables do not have a linear relationship with each other.

According to Ghozali (2011: 139), Heteroscedasticity Test is used to determine a regression model and an inequality of variants and residuals from an observation to another one. To analyze heteroscedasticity based on the presence or absence of a certain pattern the scatterplot. Path analysis is an extension of multiple regression analysis which is useful for estimating the causality relationship between variables that have been previously determined based on theory.

The coefficient of determination (R^2) aims to see the size of the influence of the independent variables on the dependent variables. To find out and see the variables independently influence the dependent variable, we compare the p-value in the sig column with a significance level used of 0.05. If the p-value is less than 0.05 then H_a is accepted and H_o is rejected, on the other hand, if the p-value is greater than 0.05 then H_a is rejected and H_o is accepted (Nugroho, 2005: 18). To determine whether there is an effect of each independent variable individually on the dependent variable, a p-value is compared in the sig column. each of independent variable with a significant level 0.05. If the p-value is less than 0.05, then H_a is accepted and H_o is rejected. Conversely, if the p-value is greater than 0.05, then H_a is rejected and H_o is accepted (Nugroho, 2005: 18).

4. RESULT AND DISCUSSION

4.1. The Effect of Market Orientation on the New Normal (Covid-19) Effect

According to Craven and Piecry (2013), market orientation is a perspective to make customers focus on attention in company activities. from the results of the hypothesis that have been tested and path analysis shows that the variable X1 (Market orientation) has a significant effect on MSME actors in running their business on the (Y1) New Normal (Covid-19) era in East Jakarta and the effect is positive at 0.373. The problem, there are still 15.3 percent of MSMEs that are still running, operating and growing positively along with this pandemic, causing MSME players in East Jakarta to change several market orientation strategies to stay standing during the Covid 19 pandemic, including replacing products with COVID-19 prevention products such as masks, various variants of hand sanitizers and other products, conduct online sales, maintain customer databases, and undertake more aggressive marketing strategies to maintain turnover. (Reniati, Muhammad Faisal Akbar, Nur Ahmad Ricky Rudianto, 2020)

4.2. Business Performance Influenced by Market Orientation

Based on the results of hypothesis testing and path analysis, it shows that the market orientation variable (X1) has a significant effect on business performance (Y2) on MSMEs in East Jakarta and the effect is positive at 0.193. The results of this study reinforce previous studies such as those conducted

by Ni Made Vera Pramesti and I Gusti Ayu Ketut Giantari (2016) who examined the effect of market orientation on the performance of MSMEs. The results of the study (Pramesti, 2016) mean that the increasing market orientation in business will improve the performance of endek MSMEs in Klungkung Regency, and vice versa, the decline in market orientation culture in SMEs will reduce the performance of endek MSMEs in Klungkung Regency.

4.3. The Effect of Entrepreneurship Orientation on the New Normal (Covid-19) Effect

The Entrepreneurial or view orientation (X2) is influenced by the processes, practices, and decision-making of business management that lead to new directions and has three entrepreneurial aspects that every MSME entrepreneur should possess such as being innovative, act proactively, and dare to take risks. To measure entrepreneurial orientation, an indicator developed from Lee and Tsang's (2001), research is used. These variable chosen in research measured by 4 dimensions, namely: Need for Achievement, Internal Locus of Control, Self Reliance, and Extroversion. Entrepreneurial orientation plays an important role in improving business performance and becomes an acceptable meaning to explain business performance. From the results of hypothesis testing and path analysis, we all know that the entrepreneurial or view orientation variable X2 has a significant effect on (Y2) New Normal (Covid-19) Effect on MSMEs in East Jakarta and the effect is positive at 0.472. This shows that entrepreneurial orientation (character) has been ingrained in all MSME actors in East Jakarta, namely MSME actors who are still able to generate new ideas, have the ability to seek opportunities, are responsible for all decisions, like new challenges, and looking for solutions to the problems that occur, even though the environment / market in the Covid-19 situation causes all production factors to experience limitations or reduction, namely starting from the availability of raw materials, availability of skilled labor, business operating time, consumers / customers and the number of suppliers alert in the era of the new life order or New Normal. This will also apply after Covid - 19, which requires recovery of MSME players to even adapt to the new normal which requires intersecting with technology. This is in line with the results of research conducted by Ariwibowo (2018) stated that improving the quality of business production facilities by utilizing technological advances in the form of providing quality educational (training) facilities and infrastructure is a factor to maintain and even improve business quality in the face of Covid-19.

4.4. The Performance of each MSMEs are influenced by Entrepreneurs orientation

Based on the results of hypothesis testing and path analysis, it shows that the entrepreneurial orientation variable X2 has a significant effect on (Y2) business performance for all MSME players in East Jakarta and the effect is positive at 0.217. The results of this study reinforce previous studies such as those conducted by Heri Setiawan (2012), entrepreneurial orientation has a positive and significant effect on business performance with a variable coefficient of 0.295. These findings indicate that small businesses are sufficiently flexible, proactive, willing to take risks, experience in business, and be anticipatory. Small entrepreneurs have dared to take risks related to opportunities in an uncertain decision-making context. Beside the flexible perspective according to customer desires. Small entrepreneurs already have the ability to recognize opportunities and a commitment to innovation

4.5. The New Normal (Covid-19) impact on Business Management Performance

Based on the results of hypothesis testing and path analysis, it shows that the variable (Y1) New Normal (Covid-19) has a significantly indicator on (Y2), Business Management Performance in MSMEs in East Jakarta and the effect is positive as well, with the “r” = 0.497.

CONCLUSION

1. The Market perspective and Entrepreneur orientation simultaneously has positively solid effect in the New Normal (Covid-19) in East Jakarta MSME at the time when they are running their business.
2. Partially market adjustment has a significant dimension on the New Normal (Covid-19) Effect in East Jakarta.
3. Partially entrepreneurial orientation affects business performance for East Jakarta MSMEs in running their business.
4. Partially, entrepreneurial orientation affects business performance for East Jakarta MSMEs in running their business.
5. Partially, products that continue to innovate have a positive effect on the achievements of MSMEs in East Jakarta in running their business.

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