

CHANGES IN ENTREPRENEURSHIP PARADIGM MSMEs IN PALU CITY DURING THE COVID-19 PANDEMIC

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ABSTRACT

This research discusses changes in the entrepreneurial paradigm in micro, small and medium enterprises (MSMEs) in Palu City during the COVID-19 pandemic, with a focus on the results and discussion regarding the Hands Up Community Profile (TDA) and the impact of the pandemic on MSMEs in Palu City. TDA is the largest entrepreneurial community in Indonesia which has noble values as a guide for its members. The culinary business type still dominates MSMEs in Palu City, even though turnover has decreased during the pandemic. The results of this research illustrate how MSMEs in Palu City have adapted to changes in the entrepreneurial paradigm during the COVID-19 pandemic. They have developed skills, adopted technology, improved business management, and relied on social media to survive and thrive. Support from the government and communities such as TDA will continue to help MSME growth in the future.

INTRODUCTION

The global Covid-19 pandemic which is endemic in all countries of the world has greatly affected all sectors of people's lives. In Indonesia, almost all sectors experience impacts, especially the economic ecosystem which has long been the foundation of society. Furthermore, the Covid-19 pandemic has caused a slowdown in the economic sector in Indonesia with its various derivatives. The Micro, Small and Medium Enterprises (MSME) sector which is part The most important thing from the economic sector really feels the impact. This is what is worried by all parties, because it has created the MSME sector experienced significant setbacks. Moreover, currently many MSMEs are experiencing various problems such as decreased sales, capital, hampered distribution, difficulties in raw materials, decreased production and many layoffs for workers and job losses which then become a threat to the national economy.

In the Indonesian context, the MSME sector is one of the main pillars of Indonesia's economic fundamentals. In fact, during the 1998 economic crisis, it turned out that the MSME sector made a very positive contribution in saving the Indonesian

economic ecosystem at that time. The same thing also happened during the Covid-19 pandemic, where the MSME sector had great potential to become an accelerator of national economic recovery.

Therefore, an entrepreneurial model is needed that can adapt to technological advances. This is what later gave birth to a digital entrepreneurship model. This business model originates from a combination of digital technology and entrepreneurship which then produces new characteristic phenomena in terms of business (Giones, & Brem, 2017). In this case, the role of digital technology has a significant influence on the new business units that are created.

One of the efforts made is to utilize online media, be it WhatsApp, Facebook, Instagram and the like. During the Covid-19 Pandemic, the Government implemented a take away system or take home orders, you are not allowed to eat on the spot. Thus, the entrepreneurial paradigm must adapt to existing conditions.

METHOD

The data used in this research was collected using the technique:

1. Observation, namely collecting data by making direct observations of the research object.
2. Interview, namely a data collection technique where the researcher directly holds questions and answers with the source.
3. Library research, namely by collecting data through written documents such as books, magazines, newspapers, documents, laws and other information media that are closely related to the research to be carried out

Research is divided into 2 types of data, namely:

1. Qualitative data, is data in the form of words, sentences, schemes and images, such as literature and theories related to the author's research.
2. Quantitative data, is data in the form of numbers or qualitative data or data that is numbered (Scoring).

The data sources analyzed in this research are:

1. Primary Data

Primary data is data obtained based on direct observation and conducting interviews with competent parties.

2. Secondary Data

Secondary data is data obtained from documents, notes, reports and official archives related to this research.

Sampling in this study used a purposive random sampling technique, with the following criteria:

1. Be at least 17 years old, so you are considered to understand the research being conducted.
2. Willing to be a respondent
3. Own a business that has made changes during the Covid-19 Pandemic

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Data validity is an important part of research test the correctness of the data. The author uses triangulation techniques because in simple terms triangulation can be interpreted as an examination technique the validity of research data by

comparing sources, theories, as well as research methods/techniques.

Patton in (Moleong (2010: 280) explains that data analysis is a process of organizing and sorting data into patterns, categories and basic descriptive units so that themes can be found and working hypotheses formulated. The steps in data collection and data analysis in qualitative research take place simultaneously. or simultaneously. In this research, researchers used the Miles and Huberman model analysis in Sugiyono (2016: 246) which suggests that data analysis activities are carried out continuously until completion. The stages in the Miles and Huberman model are as follows:

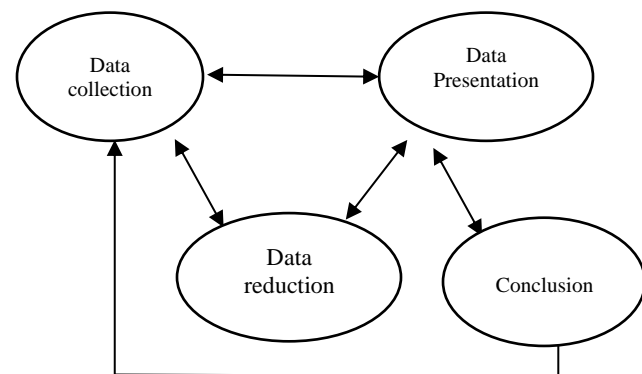


Figure 3.1

Miles and Huberman Analysis Model

Source: Miles and Huberman (1984), in Sugiyono (2016 : 246)

RESULT AND DISCUSSION

Description of Research Results

I. Informant Description

The informants in this research were business activists in Palu City, with a total number of 250 people, while the informants in this research were 20 people.

II. Description of Interview Results

Data from interviews were collected directly from the informants of this research. The results of the informants' responses were then summarized and combined, with the following results:

1) Worker Skills

A total of 18 people (90%) stated that:
"The level of skills we have so far is actually mostly acquire autodidactically or by self-study"

The statement above states that their expertise in working and engaging in this business was initially obtained autodidactically. Along with development, with training provided by related agencies, workers' skills increase. Currently they have expertise in working, and are even able to innovate, especially regarding the diversity of products offered to consumers.

2) Technology Availability

Regarding the availability of technology, most at the start of starting a business, they still use simple technology, so the level of productivity is also low. Currently, the existence of technology cannot be denied that it greatly influences work productivity, including for existing small businesses, so that they have used adequate technology and this has had an impact on increasing business productivity.

This was acknowledged by 19 informants (95%), as follows:

"Actually, every product must have a standard, and a good standard is if you use technology in the production process, so that business productivity gets better."

The use of this technology certainly has consequences, especially in terms of financing, where business activists spend relatively large amounts of capital, because the technology used has a high price value.

3) Organization and Management

Like other small businesses, the business activists who were informants in this research started this business with a simple management system or family management. The existing division of labor is still simple too. However, the financial recording system has been implemented quite well, although it is still simple.

This was acknowledged by all respondents (100%), through the following statement:

"We started this business with our family, of course the management is still a family affair, but specifically for financial recording, we have carried out good records even though they are manual or simple"

The statement above confirms that even though the business is managed with a family management system, financial management is carried out well even though it still uses manual or simple methods. For this reason, assistance

from the government regarding financial management and business management is highly expected for business progress.

4) Entrepreneurial/Managerial Skills

In the current era of competition, whether they want it or not, business activists must be able to improve their managerial abilities. All informants in this research have attended business management training several times, so it is hoped that every business activist can manage their business well and can compete fairly.

The above was acknowledged by 100% of informants, who stated that:

"We have frequently attended small business management training carried out by the government, with the hope that if we take part in the training our ability to manage our business will improve"

Better business management can increase a business's ability to compete with other businesses.

5) Availability of Information/Promotions

The use of social media, at the start of the business, was not widely used by the informants. They admitted this because apart from not being too familiar with the scope of their work, they also did not understand the benefits of using social media for promotions. However, currently, especially during the Covid-19 pandemic, where restrictions are being implemented, every activist must use social media to promote their sales so that they are able to survive.

All informants (100%) gave the following statement:

"With PPKM, where people cannot freely come to buy, while we also have to continue running our business, the use of social media is the main choice as a solution to keep our business running, and it has been proven that our business turnover has become stable after we use online media. "

The statement above also provides evidence that the use of social media is able to make their businesses survive, while others have to go bankrupt

6) Availability of Capital

Business capital is something that is absolutely needed by a business to start its business. According to the informants, the capital they spent when starting this business was still their

own capital, with a limited amount, as stated by 20 informants (100%) below:

"We started this business with our own capital, without borrowing from banks or other parties, because our own capital is of course limited so the business turnover is not large. "We continue to manage and develop the existing capital, even now many small business partners are already using soft loans from banks for small businesses."

This capital continues to be rolled out to this day. There are currently many sources of capital, for example from banks such as BRI with the KUR program. There are several informants who have used this banking credit facility, there are also informants who have used capital in the form of assistance from related agencies.

CONCLUSION

From the results of the research conducted, it can be concluded that:

1. The strategy used by culinary MSME activists in Palu City to increase business competitiveness during the Covid-19 pandemic is by selling online, using social media such as Instagram or Facebook, and using a transfer payment system.
2. The technical things carried out by culinary MSME activists in Palu City in adapting the entrepreneurial paradigm during the Covid-19 Pandemic, were in the form of online sales using digitalization strategies, while the non-technical things carried out by culinary MSME activists in Palu City in adjusting the entrepreneurial paradigm during during the Covid-19 Pandemic, in the form of fast and correct decision making.

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