



The Leadership Crisis in the Medium-Sized Business Sector is Facing a Endemic to Adapt Information Technology; Case Study SME Entrepreneur Kelurahan Padasuka Bandung Regency

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Abstract

Developing a business is a manifestation of growth activities that will be the key to success in going through the continuity of a business. It becomes the basic basis for making decisions that are important for company policy in good situations or in unpredictable situations such as the covid 19 pandemic. A leader in a medium-sized business of course pays attention to all aspects of support that make the decision device taken by paying attention to reactions occurring both internally and in the market. You will see the character of a leader who is ready to face a crisis, especially in adapting information technology as part of the relocation of businesses to digital caused by the difficulty of penetrating the market directly. Researching how many medium-sized business owners in Bandung are adapting the use of information technology as a means of business in 2020-2022. As a result of the leadership crisis, it is feared that it can have an impact on the running of the business by analyzing qualitatively that the behavior of an agile leader will have an impact on the use of information technology in their business. For that it can be seen how much a leader is able to adapt or in other words he is able to accept changes quickly and apply them in his business. For this reason, this research is expected to be a reference tool in terms of leadership characteristics in dealing with crises due to the pandemic or post-Covid-19 pandemic.

Keywords: Leadership Crisis, Information Technology, Medium-Sized Business. Post-Pandemic

1. Introduction

The sense of responsibility that leaders have in a medium-sized business can be the hope that their employees rely on. Where a leader is required to be able to pay attention to good and unfavorable conditions for the organization, especially for the state of his business because it involves the survival of all entities in the business. according to Sulaksana, 2002, the role that must be owned by a leader in an organizational setting is:

- a. Together - sam helps in achieving the vision and mission;
- b. Fighting for the needs or rights of entities in the organization
- c. Embody group values;
- d. Provide opportunities for delegates to channel inspiration during interactions
- e. Stands as a party that helps and mediates to solve a problem in the organization.

The end of the Covid 19 pandemic, which is called the endemic era, where the condition of the business sector experienced many obstacles that could actually interfere with the performance of a business. The impact of the pandemic that was previously felt was the loss of market share that had been around for a long time. As illustrated in the city of Bandung, during the 2-year period of the pandemic, large malls became quiet and made the business value in them decrease. Issues that occur start with restrictions on human interaction which makes it difficult for consumers to come from their places to meet the needs that they must fulfill during a pandemic. The pandemic changed the mindset and attitude of consumers, directly changing the state of business. Where these business stakeholders must immediately make efforts on these issues which have an impact on distrust of entities such as employees, owners of capital or the market itself. An attitude that is more faced with a crisis situation inevitably creates and shapes the attitude of a leader who is able to deal with a crisis. The crisis that is faced will be contained in the form of prevention,

communication and response to an attitude that must be able to determine quick and appropriate decision making because otherwise unfavorable conditions will be formed for his business.

In this study, several problems will be formulated to be examined, namely from the many foreign entrepreneurs, 5 samples will be taken each from several business segments, namely from culinary entrepreneurs, fashion entrepreneurs, entertainment entrepreneurs, craft entrepreneurs and retail basic food entrepreneurs (Subagyo et al., 2019; Demetry, 2017; Ariffin et al., 2020). Questioning how they deal with their business in an endemic period after the pandemic as illustrated in the graph has experienced a significant decline, this situation is usually referred to as the business revival period which must make a number of decisions related to a change in strategy to be taken. The second formulation is to find out the readiness of this business leader in dealing with changes caused by an endemic to the application of digital technology as an alternative in an effort to revive their business. The assumption used is that the condition of this medium-sized business can be represented by the existence of MSEs who have been running their business with limited information technology, which means that they are doing business properly with traditional organizations.

2. Literature Review

The taking of the theme in this study is based on previous research studies that a crisis faced by leaders, especially in business, tends to result in a change either in whole or in part in the business strategy or organization. In a study entitled " Human capital and organizational performance: A moderation study through innovative leadership "by Attia Aman-Ullaha et al., 2022 which states that the moderating role of innovative leadership in relation to human capacity, knowledge human resources, and basic human skills in organizations, human capacity, basic human knowledge and basic human skills have a relationship with organizational performance. It is implied from previous research that the ability of leadership to mediate between company performance and employees can be an illustration that in all conditions, including crisis conditions, leaders must be leaders who are in crisis, especially these leaders must be required to have good innovative insights so that solutions can be formed.

Journal entitled " The impact of responsible leadership on knowledge sharing behavior through the mediating role of person–organization fit and moderating role of higher educational institute culture " (Haidera et al., 2022), produced a statement that responsible leadership has a positive effect on knowledge-sharing behavior directly, or indirectly, this shows that actually a crisis leader must be able to be flexible with what he faces in a challenging situation. desirable in an undesired situation. In fact, leaders are required to have a wide range of conceptual and practical insights and expertise. This is intended to issue attitudes that are appropriate to the situation and conditions. In this case, during a pandemic, business leaders found themselves in a situation that was quite complicated for the continuity of their business. Faced with PPKM which made it difficult for entrepreneurs, so with such a short time the leaders of this business must be willing to rack their brains so that financial losses do not occur. The choices in changing the new business order are not easy choices, especially since the characteristics of business leaders or entrepreneurs are still old-fashioned in adapting to change, especially when it is related to the application of information technology. tend not to want to learn and do not believe in the conveniences provided by information technology. even though in fact academically that the ability to adapt information technology greatly influences the performance of affected organizations or businesses. This was also explained in previous research, namely " The impact of leadership traits and organizational learning on business innovation " compiled by Mai et al., who stated that the severe impact of the COVID-19 pandemic forced many organizations to close or even temporarily close. revealed that the characteristics of leaders who are able to self-evaluate, confident, able to compete and be able to read a risk have an influence on business innovation in which of course there is a level of knowledge ownership, knowledge dissemination and knowledge interpretation are the basis of organizational learning in the role of leadership relationships and business innovation.

Journal " Entrepreneurial leadership and employees' innovative behavior: A sequential mediation analysis of innovation climate and employees' intellectual agility " by Mashaal Abdulaziz Malibaria and Saleh Bajabab , 2022, with research results revealing leaders are important figures in creating innovation in business and building a culture and climate for innovation, as well as leaders for creating innovative arrangements to encourage employees to share ideas and concepts in a confident manner. Entities involved in business are confident in the decision-making ability of leaders even in crisis conditions so that they will within a time range wait for decisions that they hope are appropriate in situations such as the pandemic and endemic of Covid 19.

The notion of information technology is a mixture of integrated computer technology hardware and software in processing and also storing information communication technology to carry out the actual dissemination of information efficiently and effectively. In a previous study entitled "Can digital transformation promote enterprise performance? —From the perspective of public policy and innovation", Peng and Tao, 2022 which states that digitalization is very important for the development of the business economy, the relationship between digital transformation and company performance and digital transformation helps interest in adapting innovation which is expected to increase performance business, reduce costs, increase revenue, improve efficiency. This means that the value of decisions taken by entrepreneurs is able to encourage the implementation of information technology, not a heavy burden for leaders who are in a crisis to be quick and.

Responsive in analyzing threat factors that will quickly occur during the 2019 Covid pandemic and endemic. From the journal said Innovation has a high success factor in a competitive economy and business. View innovation give description about good chance in condition stable in the future dating or d natural crisis condition. Reviewed from the journal “Relationship between innovation capability, innovation type, and firm performance” RP Jayani Rajapathirana, Yan Hui.

3. Materials and Methods

3.1. Materials

The general description of the object under study was the UMK entrepreneurs who were resource persons at the time of distributing the questionnaires as many as 25 questionnaires from a population of 167 UMK in Padasuka Village, Bandung Regency. The 25 SMEs consist of fashion convection entrepreneurs, culinary entrepreneurs, handicraft entrepreneurs, groceries entrepreneurs, entertainment. Why is this area being used for research, because the population is dense with its businesses and is segmented in the lower middle class economy which is located in a mountainous area where this area is still heading for a digital transformation that is not yet significant. And the 25 SMEs are SMEs that have registered business licenses with the local government. Analyzing how their behavior is towards the worst possible impact of the pandemic, is a challenge where the data collection techniques we take must be by way of spreading outreach. Then the characteristic conditions of the 25 SMEs are different, which can be taken as an illustration, there are still business owners who are from the age of 60 and above, of course, this will be an interesting object to study when traditional principles in business and organization still have to follow the provisions of their time (Purnomo et al., 2019; Hadian et al., 2015; Hermina et al., 2020).

3.2. Methods

The method used in this research is an interview survey of SME entrepreneurs who are facing post-pandemic conditions, and it is possible that this will become an ongoing research where the results of this survey will be mapped into a good training flow in the future. We will take data collection techniques from field observations by visiting SMEs in Padasuka sub-district, looking at the market situation for the demand for SME products, and looking at information technology insights mastered by these SME entrepreneurs. Looking at the factors that exist in this crisis leadership can make a decision to adapt information technology that will be applied to SMEs. The questions from the survey include the characteristics of entrepreneurs, business segmentation, application of information technology. which is stated in the question that has a measuring tool for each variable. Sugiyono 2019 method study qualitative is method study based on philosophy postpositivism, which is used to examine the condition natural object.

4. Results and Discussion

Reviewing the results of the analysis that it turns out that the characteristics of entrepreneurs determine the effective and efficient attitude of a crisis leadership. Where it can be seen that the more the characteristics of this entrepreneur are dominant and tend to be open to innovation, the higher the responsiveness in adapting an information technology can be seen from the graph below based on the survey analysis conducted.

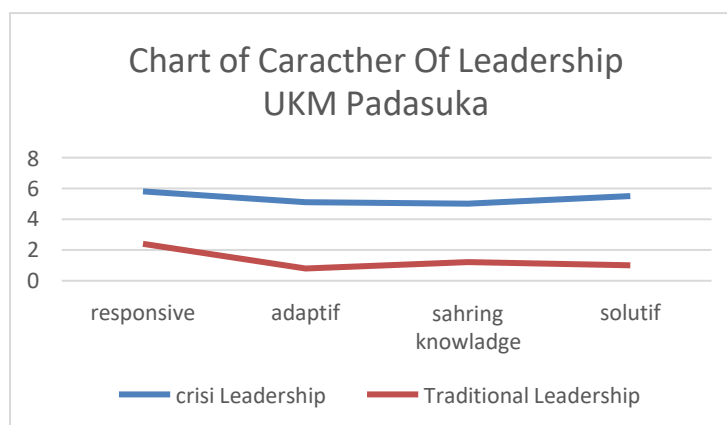


Figure 1: Character Chart of Padasuka SME’S Leadership

Looking at the character graphic data in the leadership of a business, especially in the Padasuka area, Bandung, it can be said that the more traditional the entrepreneurs run their business, the lower the level of responsiveness in dealing with crisis conditions so that the formation of leadership characteristics is less able to respond to threats,

insensitive to how to be able to read the threats posed by this pandemic. Seeing the adaptive point in point 1 for businesses that are still running with the concept of tradition 91 they have not been able to have technological developments as many as 14 entrepreneurs who were categorized as advanced in the era before covid 19 after the existence of covid they said that our business had declined or had been hampered without a solution. 56% represent SME entrepreneurs who do not have crisis leadership characteristics. And the remaining 44% said that in the face of Covid they are studying threats that can be looked for loopholes by implementing information technology that can be used at least for marketing activities for these SME products.

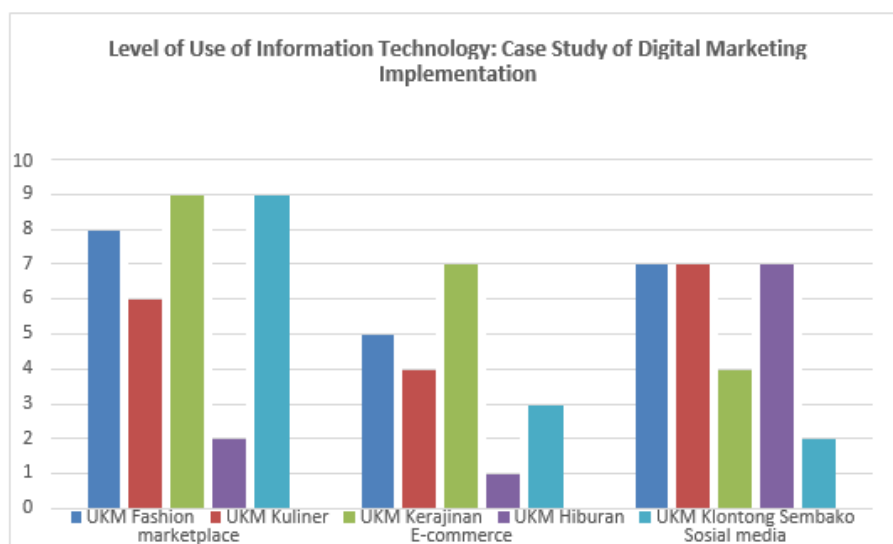


Figure 2: Usage rates Technology information for 44% of SMEs in Kel. Everybody likes

With the convenience of the platform that is already available, they only need to complete some of the requirements requested. As well as from their operations they also said that reducing costs should be in accordance with their accounting books. However, the obstacles they face are still there, namely regarding knowledge sharing which they feel they still need to learn about information technology, which is developing every day. by reason of their need to disseminate information about technology to their employees. According to the journal review.

“Leadership competencies and the essential role of human resource development in times of crisis: a response to the Covid-19 pandemic” Khalil et al., 2022 state that essential competencies for practice leadership in response issue wheeze related to the endemic period that occurred in a organization. meant that practitioners _ that is SME entrepreneurs here are satisfied role tested under conditions _ resulting crisis _ changes in a manner conceptual or the tactics. From case Businessman which means he is leader for his efforts alone putting what position is he in? want to do changes required to cope _ situation impactful crisis _ for himself and continuity his efforts. Use or adapt once technology information on doing activity operational his efforts. Element type adaptation technology this information is available studied from results questionnaire as outlined in the graph for the remaining 44%, from leadership traditional.

Taken from sub operations effort that is marketing activities from SMEs they are very open to applications that are easily available for entrepreneurs take final decision _ adapt a technology information, result from condition facing the pandemic and endemic era of covid 19 in 2022. What are they tell me When it has adapt technology information those, them say innovative ideas emerge because there is a threatening covid market share among SMEs, sacrifice little time to process technology this information becomes a impactful new tools positive for activities and continuity the business. Geographic analysis of the 25 SMEs is not far away however why in reality only by 44% who have desire to face crisis by the way adapt technology already available information.

5. Conclusion

Conclusion from this research are: (1) Characteristics entrepreneurs or leaders in their business in the Village Everybody likes Bandung district is divided Becomes two group that is Entrepreneurs are able to deal with crises with style modern entrepreneur and some big as much 56 % entrepreneurs in this area still operate draft tradition in continuity his efforts. So in adapting sophistication technology information tend more active. Attitude attitude in response the threat that occurred dapt easily readable and direct can showing readiness inenguahdapi crisis. Attitude adaptive stated that decision the could quick applied to conditions crisis, the attitude of sharing knowledge that describes the 44% of these entrepreneurs are capable entrepreneur look for knowledge sophistication technology information and distribute it to all entities involved in the business. Attitude. (2) Weaknesses in characteristics leader business or entrepreneur traditional is they consider issue issue about threat for example in the covid pandemic this is not serious threat or even very serious threat however they have belief from a business relationship where will

principled not to take advantage technology information as alternative solution found. This also raises the stigma that is not discussed in this study are segmentation demographic the age of entrepreneurs to be able to adapt technology information. (3) Advice for si the figure of 56% is the way it is training or outreach on its important utilise technology information to be help they are facing challenge as leader business crisis, fast responsive and solvable for fate his efforts.

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