



## Factors Supporting Business and its Distrubution to Business Resilience In New Normal Era

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### Abstract

**Purpose:** The current study aims at knowing and testing factors supporting business and how to distribute it for resilience business in new normal era. Factors Supporting business resilience will be seen in terms of entrepreneurial competence, technology utilization and government support for business resilience through entrepreneurial spirit as an intervening variable. **Research design, data, and methodology:** A constructed questionnaire in direct survey and interview was conducted with 97 respondents in South Sulawesi. Partial Least Square (PLS) analysis, was utilized to analyze and verify all the data. **Results:** This study indicated entrepreneurial competence and utilization of technology have a positive and significant effect on entrepreneurial spirit, while government support has no significant effect on entrepreneurial spirit. This study also indicated that entrepreneurial spirit has a significant effect on business resilience. **Conclusion:** To increase business resilience, it is very important to have entrepreneurial skills and mastery on utilization of technology. To anticipate future crises, entrepreneurial competencies must be evenly distributed both for business owners and for all members of the organization. To institutionalize crisis management in business, it is important for SMEs in Indonesia to develop an institutionalized Business Crisis Management.

**Keywords :** Factors Supporting Business, Competence Distribution, Business Resilience

**JEL Classification Code:** M15, M20

### 1. Introduction

Since March 2020 to the end of September 2020, the number of cases exposed to COVID-19 in Indonesia has continued to increase and is spread across all provinces in Indonesia. The number of new positive cases of COVID-19 continues to increase with average number of people exposed to COVID-19 cases more than 400 people per day. The five provinces with highest positive cases of COVID-

19 are East Java, DKI Jakarta, South Sulawesi, Central Java and West Java. The COVID-19 pandemic has an impact on various sectors of life. And one of the sectors that has been significantly affected is the economic sector, especially after the implementation of large-scale social restrictions, the implementation of this policy directly or indirectly has lead the industrial and service sectors to take various steps to reduce production costs by closing

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factories / offices, laying off employees until termination of employment (PHK).

Beside the impact on industrial sector, the sectors affected significantly by the outbreak of COVID-19 are small and medium business actors where restrictions on direct interaction make Micro Small And Medium Entrepreneurs lose their main market considering that the mainstay transactions of small and medium business actors are the main point transactions in this sector. The imposition of restrictions on social interaction has practically made this business sector paralyzed and many of them have closed their businesses.

Confronting the current situation, it is necessarily that the business actors to keep on persevering, moreover COVID-19 time span is still not really clear yet. Thus, without doing something, people will be worse off with uncertainty. This kind of matter becomes serious concern for government. Considering that vaccines as the only way to overcome the COVID-19 pandemic cannot be provided in the near future, efforts to create vaccine are still in the process of research and development stage and it will require time to conduct trials. Based on this consideration of saving national economy, government has taken a new policy called new normality policy. Where at this time the community is expected to be able to adapt to pandemic conditions without reducing health protocols due to anticipate pandemic if it lasts for long time. People are expected to live with this virus in new normal way of life and to maintain health protocols at the same time.

New Normal or new normality is one of the exit strategies. This is in line with the Chairperson of COVID-19 Expert Team, 2020, which stated that New Normal Order is a life behavior transformation in society in order to adapt their normal activities with discipline of implementing the New Normal health protocol.

The ability to respond to change is very important for entrepreneurs in maintaining their business the success of an entrepreneur to survive in every situation is influenced by entrepreneurial abilities. Basically, true entrepreneurs have basic skill of good entrepreneurial which become asset in dealing with various critical situations, no exception, during the current Covid-19 pandemic. In a literature review, Korber & McNaughton, stated that one of the points of the study of entrepreneurship and business resilience is to view entrepreneurial behavior as a determinant of business resilience both organizationally and individually. Thus the ability of entrepreneurs becomes something positive and inherent as a strong spirit for entrepreneurs to continue their business after failure or in facing a crisis, this is because of their ability to make them resilient in running a business (Korber & McNaughton, 2018) Entrepreneurial Competence on an

organizational scale must be evenly distributed for both the owner and all employees. Thus the entrepreneurial competence adopted not individually but it becomes institutional value. For organizations, these entrepreneurial competencies must be systematically managed into all the organizational components.

Among these entrepreneurial abilities, there are several factors that are very important and relevant to be raised in facing the current new normal era. These factors include: entrepreneurial competence possessed by business actors (Korber & McNaughton, 2018). The ability to utilize technology in dealing with situations that require social distancing during the current pandemic is very important because it is proven that the appropriate use of technology will actually improve good relations between producers and consumers (Kim, Pae, Han, & Srivastava, 2010). During this pandemic, almost all interactions between consumers and producers directly become blocked out due to health protocols that emphasize social distancing and avoiding direct interaction. Considering the new normal era for those who still maintain health protocols where it is still required to reduce direct interaction so that the use of technology for online marketing and sales is very important in this era, the last influential factor caused by government assistance (Kuckertz, Brändle, Gaudig, Hinderer, Reyes, Prochotta, Steinbrink, & Berger, 2020a). The existence of the supporting factors are expected to maintain the entrepreneurial spirit possessed by entrepreneurs so that they are able to maintain their business in this normal era.

## **2. Literature Review**

### **2.1. Entrepreneurial Competence**

There are many factors support entrepreneurs to re-operating their business in the current new normal era, those are competencies possessed by business actors. These competencies will always be needed both in normal era and during crisis because entrepreneurial competence is a basic characteristic of everyone who always do effort to try whenever and wherever. Entrepreneurial competence is a unique source of personality value of an entrepreneur, this value is able to describe his entrepreneurial competence. Entrepreneurship is a creative and innovative ability applied as a basis and resources to find opportunities for success. Entrepreneurial expertise has also been revealed more comprehensively by (Hidayat, Musa, Haerani, & Sudirman, 2015a; Hidayat & Yunus, 2019), that is why these characteristics become references in the making of entrepreneurship curricula at universities in Indonesia.

The effectiveness of entrepreneurial characteristics practice in doing business depends very much on the situations and conditions experienced by entrepreneurs in their business operations. During the outbreak of Covid-19 which led to the closure (lockdown) and distance restrictions (social distancing), responsiveness from entrepreneurs is surely needed to survive within these limitations, such as desire to stay exist, hope to be revived, great power to fight, and hard work, innovation and creativity, customer orientation and maintaining product quality.

The entrepreneurial ability or competence is determining factor for entrepreneurs in new normal times. This becomes important to face any problems they will encounter in order to stay productive and exist even in uncertain conditions like this moment of pandemic. Entrepreneurial resilience is highly dependent on entrepreneurial competence which is reflected in the ability of individuals to deal with business problems they had and this is the basis for business resilience that will lead entrepreneur to success (Fisher, Maritz, & Lobo, 2016). Entrepreneurial competence is also a predictor of competitive advantage and will lead to a sustainable one (Wong, Cheung, & Venuvinod, 2005). It is absolutely a very important thing to consider for entrepreneurs in facing a very dynamic business including facing a crisis. Individual entrepreneurial competence is also very important and very influential in dealing with a crisis (Ludmila Kozubikova, Jaroslav Belas, & Yuriy Bilan, 2015). In line with what was conveyed by Kozubikova et al. (2015) who also states that entrepreneurial skills are a measure of entrepreneurial competence which greatly influences on entrepreneurial performance. Good entrepreneurial competence is very important for someone in developing and maintaining a business in all situations they face (Sánchez, 2012; Ahmed, Kar, & Ahmed, 2018). This is as revealed by Umar, Che Cob, Che Omar, and Gani Hamzah (2018) which states that a strong entrepreneur is someone who has unique characteristics that they use to face obstacles and reach their dreams at full speed.

## 2.2. Utilization of Technology

In order to be able to stay productive in this new normality as expected from the government, business actors must begin to get used to utilize online media in marketing their products and services. The policies taken by government by loosening entrepreneurial activities through new normality policies must be able to be used wisely and responsibility by business actors. The rules that require commitment to health protocols, social distancing and personal distancing challenge entrepreneurs to adapt

with this situation quickly. This condition is very influential and becomes factor that stimulates major changes in consumer behavior trends in shopping. For this reason the expertise of business people in the use of technology, especially regarding online sales by utilizing social media marketing, is an important factor in efforts to increase business resilience in today's new era of normality.

Digital marketing as a way of marketing goods or services using electronic devices is one of the applications of technology in business and digital marketing. It is one of the proper and efficient ways to target more customers in a timely manner, and it is easy to adjust because all processes can be done, can be measured and be targeted by the target audience because the use of technology will ultimately become one of ways to maintain good relationships with successful consumers and provide convenience to consumers (Kim, Pae, Han, & Srivastava, 2010).

Yang and Kankanhalli (2014) stated that social media marketing in its use has proven to be an effective marketing tool to achieve customer awareness and customer satisfaction because through this media marketing, fast and personal service can be achieved. The use of online media marketing to support sales has actually been applied before the outbreak of the COVID-19 outbreak. This method of marketing is increasing during pandemic and it will be more needed during new era of normality ruled by government. In the new era of normality allows businesses to operate but still implement the strict health protocols. Thus, most media that likely to be used in supporting business operations in this new era of normality is through social media marketing. So that the skill of business actors in utilizing technology is an important factor in maintaining their business in such conditions nowadays.

## 2.3. Government Support

The crisis caused by COVID-19 has captured the attention of all parties, not only regionally but internationally as well. Various efforts have been made in order to maintain the existence and welfare of society. Counseling and assistance have been coordinated in such a way by the government in the effort to overcome the crisis. However until June 2020 there is no certainty when the pandemic will end so the government issued a policy called the new era of normality where the community is expected to live side by side with COVID-19 in new ways and adaptations even with the implementation of strict health protocols.

Basically, Government must take right policies in dealing with urgent problems such as natural disasters and

crises that threaten the existence of society, these policies are made to increase and realize business resilience, industrial sectors that have broader economic interests. These rescue efforts aim to protect work productivity and work sustainability to ensure the sustainability of economic activity which is very much needed to protect the community (Kuckertz et al., 2020b). In carrying out protection from the crisis, the government requires infrastructure and public support so that the protection from the government can run smoothly (Comfort, 2002).

Overcoming the crisis, the Presence of the State is very much needed and this has become one of the trends in research during this pandemic in addition to the problem of crisis management in the business world which discusses the problem of business resilience (Doern, Williams, & Vorley, 2019). These research tends to look out the policies made by government in the effort of maintaining the survival of business world during the crisis (Alesch, Arendt, & Holly, 2009) and in-depth study of what obstacles exist (Runyan, 2006).

In order to ensure the new normal order policy, the Government of Indonesia launched 5 programs as a commitment to support government on business sector, especially micro small and medium enterprises (MSME) sector, these programs are (1) Family Hope Program (PKH) assistance, food packages, Village Cash Direct Assistance, reduction of electricity rates and pre-employment cards. (2) tax incentives for GENERAL. This program reduces the final PPh rate for MSMEs from 0.5% to 0% over a period of 6 months. (3) The scheme of MSME loan relaxation and restructuring program. (4) Support in the form of working capital financing stimulus for micro small and medium enterprises (5) ministries, institutions, state-owned enterprises and local governments to become a stronghold in MSME business ecosystem, especially in the early stages of business consolidation recovery

## **2.4. Entrepreneurial Spirit**

Entrepreneurial spirit is an attitude that exists in someone who is entrepreneurial to work more actively by devoting all the abilities he has in order to make his work finish faster with expected results (optimal). The spirit of work in the new normal era will motivate an entrepreneur to continue to survive despite these difficult and uncertain times. Work enthusiasm will encourage entrepreneurs to be passionate on doing their business, as stated by (Hidayat et al., 2015b) Work spirit is closely related to work enthusiasm. Definition of passion of work is a deeper pleasure towards work that leads an entrepreneur more enthusiastic and have enthusiasm for work and faster in working and not easily tired because they work based on pleasure, not difficulty.

## **2.5. Business Resilience**

Crisis is one of the factors that greatly affects performance and existence of a business (Boin, 2009) such as the current crisis of covid-19 which has triggered a very severe impact on business continuity. Crisis is one of the important factors that disrupts business resilience. The crisis needs to be understood, researched and anticipated in order to overcome it (Williams, Gruber, Sutcliffe, Shepherd, & Zhao, 2017). Likewise the current outbreak of COVID-19, this health crisis has been felt as a factor threatening the business world but at the same time as a challenge to business world both nationally and globally. Currently all parties from all people in the world are thinking hard to be able to find a way out so that the current crisis can be handled and planned well with the efforts and provisions so that the impact that may be caused could be well controlled. One of these efforts is to find out what business actors can prepare to face off the ongoing crisis and also as a guide in dealing with future crises (Kuckertz et al., 2020a).

Kuckertz et al. (2020a) in their research provide important information related to things that need to be prepared by entrepreneurs as well as government in preparing schemes and systems in the form of regulations and policies in the effort to support business existence during the pandemic. These regulations and policies also needs to be prepared in such a way in order to provide guide in dealing with similar crises in the future. During the new normality era as proclaimed by government, it is hoped that entrepreneurs will be able to return to operate in a new order, therefore adaptation to the new normal era is very important to be able to carry out activities optimally and to support things programmed by government. Thus, it is important to find out what factors can support business actors in reviving their business wheels in a new order of life in accordance with the expectations of the government.

Based on the description above, this study is intended to determine the supporting factors for business resilience and to find out to what extent these factors affect the resilience of micro small and medium enterprises in South Sulawesi with the following research hypothesis:

### **H1: Entrepreneurial Competence Influences Entrepreneurial Spirit**

The competence possessed by an entrepreneur will make him own the believe and self-confidence in carrying out business activities. Empirical facts show that a person's success in entrepreneurship is due to his ability to carry out business operations gained from his understanding of the ins and outs of the business he does

and his ability to manage the business. Entrepreneurial competence is proven to have a direct or indirect effect on business capabilities and business performance (Sánchez, 2012). Business capabilities and performance can be achieved with the support of people or individuals who have passion and enthusiasm to do business, from this thinking, this hypothesis is built to prove that entrepreneurial competence affects entrepreneurial spirit.

In the current new normality, entrepreneurial resilience is highly dependent on entrepreneurial competence which is reflected in the individual's ability to deal with business problems where business competence is carried out will make an entrepreneur to be more resilient in facing any problems, including in running his business in new normal era like today considering that entrepreneurial competence is one of the factors that drives the success of business actors in facing all situations (Fisher et al., 2016; Wong et al., 2005; Ludmila et al., 2015; Barazandeh et al., 2015).

**H2:** Technology Utilization has influence on Entrepreneurial Spirit.

In new normal period, business operations will depend mostly on the use of technology, this is to overcome health protocol rules that limit direct interaction between sellers and buyers with social distancing and personal distancing rules, so the most effective media to keep sales transactions that can be carried out is the use technology media in the form of digital transactions and the implementation of marketing and promotion through e-marketing media. Expertise in the use of technology for media marketing will make communication between producers and consumers more effective (Kim et al., 2010; Yang & Kankanhalli, 2014). The use of technology will also be able to increase entrepreneurial self-efficacy and this is closely related to the problem of self-spirit to be able to run a business well (Gumbi, N., & van der Westhuizen, T., 2020). Thus, it can be assumed that if someone is able to make good use of technology will be very influential on the spirit of his business, especially in running a business during the new normality at this time.

**H3:** Government Support Influences Entrepreneurial Spirit

The sector most affected by COVID-19 pandemic is the micro small and medium business sector, this is because they remain develop more direct communication and transactions with consumers. With direct contact restriction, it is surely will have a direct impact on business continuity in this sector. Therefore, Government continue to support the sustainability of this sector by providing assistance programs and policy assistance to improve and

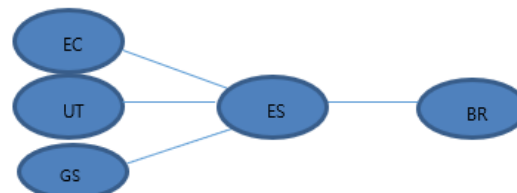
realize business resilience of industrial sectors which had broader economic interests. These rescue efforts aim at protecting the maintaining of work productivity to ensure the sustainability of economic activities which indispensable for protecting society (Kuckertz et al., 2020a).

Overcoming the crisis, the State presence is highly needed (Doern et al., 2019), so that in facing crisis, a policy made by government is needed in the effort to maintain the survival of business world during crisis (Alesch et al., 2009). Under full support from government, it is hoped that business enthusiasm from business actors will increase in running their businesses during the current new normal period (Kaya, 2019). In study of Government support on Entrepreneurial activity confirmed that greater support from the state or local government has a positive effect on the growth and optimism of the firm. The article presents the results of an empirical analysis for small firms in these countries, which showed that government support is an important driver of company growth and business owner optimism. Optimism is closely related to the spirit, this is also one of the references if government support can increase the spirit of entrepreneurship.

**H4:** Entrepreneurial spirit affects entrepreneurial resilience.

High business enthusiasm caused by full confidence of business actors in carrying out their business operations and high confidence to succeed caused by their entrepreneurial abilities ultimately became a strong base capital for business actors to be able to achieve business resilience to face the current crisis and operate well in today's new normality era. Previous research conducted by Buradum, Sam, and Brownson (2018), found that entrepreneurial spirit has the potential beneficial effects of enhancing resilience of small and medium size agribusinesses. This is a reference in developing this hypothesis which suspects that entrepreneurial spirit affects business resilience.

Based on the four research hypotheses above, the conceptual framework of this research can be described as follows:



EC: Entrepreneurial Competence, UT: Utilization of Technology, GS: Government Support, ES: Entrepreneurial Spirit, BR: Business Resilience

**Figure 1:** Research Conceptual Framework

### 3. Research Design and Methodology

#### 3.1. Samples

Population of this study were small and medium business actors in Makassar, South Sulawesi, Indonesia who were selected through consideration of (1) Small and medium business actors which were categorized as business groups that mostly affected by COVID-19 pandemic and must survive in the new era of normality as the government expectancy (2) Small and medium enterprises are dominated by family businesses which make these businesses as economic support for their families and employees so that they have direct impact on the economic household. (3) most of the MSMEs were operated by limited business capital so that during crisis, operational of business is getting tougher and needs support from government.

The sample chosen in this study using approach of purposive sampling technique by considering the following conditions: (1) The company has been running for at least 3 years before the pandemic spreads in Makassar City (2) the company employs a minimum of 4 employees (3) The company has used technology in transactions and marketing (4) The company participates in government assistance programs. Through the above criterias, there are 97 small and medium enterprises that can be categorized as samples for this study.

#### 3.2. Measurement

This study uses questionnaire survey. Completing the survey findings using scale of Likert 1-5 (Strongly disagree-Strongly Agree), The questionnaire in this study was developed by the authors themselves by paying attention to the facts faced by business actors during the new normal period even though the questionnaire was compiled by the author himself, in the preparation of the questionnaire it still refers to the main references used in this study to ensure that the questionnaire is the right instrument to use, In accordance with the research objectives, the testing of the questionnaire was carried out in the pre-research observation to ensure the reliability and validity of the questionnaire used in the study. such as tests used in science. Result measurement of the current study was performed in several stages before data analysis and hypothesis testing were entered. First section; calculate confirmatory factor analysis (CFA) for measuring the viability of measures on dimensions such as; validity and reliability (AVE, Cronbach alpha, and Critical Ratio). Second section; calculate CFA by variables between measurements. The third phase; measures independent variables of dependent variables as shown in figure 1 via moderating effects or hypothesis testing stages.

The quantitative measurement results then re-confirmed to produce a more comprehensive analysis through interviews of respondents who represent each business sector surveyed in this study. The interview result completed the results of questionnaires data analysis, therefore, a more comprehensive conclusion will then be obtained from the completeness of the information available.

**Table 1:** Measurement of Variable

Variable	Item Questionnaire	Major References
Entrepreneurial Competency	Knowledge of the business being run	EC1
	The ability to innovate and to be creative in developing products to match with market demands	EC2
	Ability to understand consumer willingness and expectations as well as appreciate consumers during crisis	EC3
Utilization Of Technology	own social media account that is used widely by the public	UT1
	take advantage of social media marketing intensively in sales and promotions	UT2
	Ability to utilize technology in expanding business networks	UT3
	Able to manage feedback from customers and interpret it in the form of quality improvement on the use of online media	UT4
Government Support	During this crisis period, Government has supported the existence of the business very well	GS1
	Credit relaxation and restructuring are programs that greatly assist business actors in dealing with crises	GS2
	Direct cash assistance and indirect government assistance motivate business actors to continue to be productive in new normal era	GS3
	Government support in the form of deferred credit payments and deferred tax payments is very helpful in cash flow management during times of crisis	GS4

Variable	Item Questionnaire	Major References
Entrepreneurial Spirit	Do efforts to keep operating the business with all available capabilities	ES1
	In business, there are always ups and downs as well as profits and losses so that crisis does not become an obstacle to stay productive	ES2
	The existence of difficulties and crises is challenge that must be faced in order make the business become stronger	ES3
Business Resilience	Limit the expense and ability to choose priority scales in a crisis situation	BR1
	Ability in cash flow management will greatly assist businesses in facing the ongoing crisis	BR2
	Ability to readjust existing budgets with urgent needs to sustain the business	BR3
	Ability to take opportunity to provide products and services that are needed in times of crisis	BR4

Smart PLS 3.0 test equipment which is comprehensively explained in table 1. The measurement criteria for variables and constructs based on AVE values > 0.6 (Fornell & Larcker, 1981; Hair et al., 2014). Composite Reliability Value (CR > 0.6) (Chin, 1998). Measurement of Cronbach alpha value > 0.5, R-square, F-Square and measurement of loading-factors as the main formers of the variable (Chin, 1998) which explain in detail in table 3.

Qualitative information is generated from interviews with respondents using the following interview guidelines:

**Table 2:** List of Interview Questionary

Topic	Interview Questions
Entrepreneurial Competency	What do you think about the importance of entrepreneurial competence, especially in dealing with the crisis due to the outbreak of COVID-19 How is the interest in entrepreneurship was found in you and how to cultivate that interest in order to lead you to be able to survive in unfavorable business conditions
Utilization Of Technology	How did you take advantage of technology before and after the outbreak of CoVID-19
Government Support	Do you think the government's support by providing credit relaxation and suspension is a relief in dealing with the crisis
Entrepreneurial Spirit	what keeps you motivated to survive in this crisis conditions
Business Resilience	how do you manage your business operational in order to survive in this crisis situation

## 4. Results and Discussion

### 4.1. Demography of Respondent

Demographically, respondents of this study were dominated by male entrepreneurs as many as 67 people

(69%). This illustrates the composition of entrepreneurs in South Sulawesi which is dominated by male entrepreneurs, the majority of respondents are 31-40 years old as many as 44 respondents (45%). This shows that small and medium enterprises are dominated by startup entrepreneurs. From type of business that mostly respondents engaged in are entrepreneurs of food and beverage with the most average income in the range of 21 to 30 million rupiah per month.

**Table 3:** Data Demography (N = 97)

Attributes	Item	F	%
Gender	Men	67	69
	Women	30	31
Age (years)	25-30 year	21	22
	31-40 year	44	45
	>41 year	32	33
Business Type	F&B	32	33
	Hotel	8	8
	Developer	6	6
	Construction	3	3
	Retail	23	24
	Trading	17	18
Income / Per-month (in million rupiah)	Transportation	8	8
	< 20 million	22	23
	21 – 30 million	48	49
	>30 million	27	28

### 4.2. Statistical Result

Analysis carried out by using PLS software shows the output of the algorithm image as shown in Figure 2. This image shows that in convergence all indicators are declared valid, this is proofed by all indicators which have loading factor value ( $\lambda$ ) > 0.5. with this result means that research data that has been analyzed can be continued as credible data for analysis of statistical data at later stage.

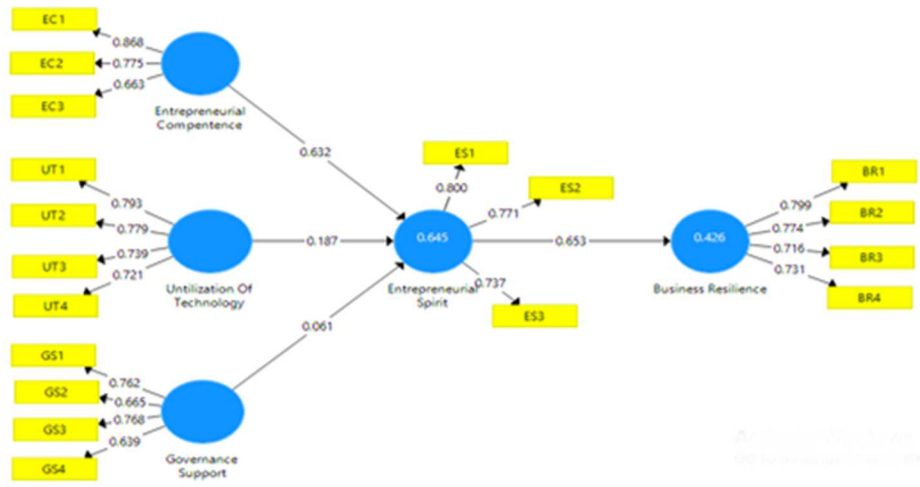


Figure 2: PLS Analysis

Test of validity conducted through convergent testing also carried out through discriminant validity testing based on the AVE value. From the results of statistical data processing shown from PLS output which proved that all variables have an AVE value above 0.5 so it can be said that all items can be used as Resume latent variable gauge from statistical results as can be seen in table of The good of fit Model in table 4 as follows:

Table 4: The Good of Fit Model

Variable	Items	Validity	AVE	Composite Reliability	Cronbach Alfa
Entrepreneurial Competency	EC1	0.868	0.571	0.842	0.753
	EC2	0.775			
	EC3	0.663			
Utilization Of Technology	UT1	0.793	0.598	0.815	0.658
	UT2	0.776			
	UT3	0.739			
	UT4	0.721			
Government Support	GS1	0.762	0.592	0.813	0.691
	GS2	0.665			
	GS3	0.768			
	GS4	0.639			
Entrepreneurial Spirit	ES1	0.800	0.505	0.802	0.690
	ES2	0.771			
	ES3	0.737			
Business Resilience	BR1	0.799	0.575	0.844	0.754
	BR2	0.774			
	BR3	0.716			
	BR4	0.731			

4.3. Hypothesis Result

The results of hypothesis testing for each of the latent variable relationships presented in table 4 also shows that

entrepreneurial competency has a positive and significant effect on entrepreneurial spirit (sig. P-value 0,000<0.05. So that the hypothesis H1=accepted). Utilization of technology used by entrepreneurs during the new normality has a significant effect on entrepreneurial spirit (p-value 0.000>0.05, so the hypothesis H2=accepted). Government support received by entrepreneurs has a positive but insignificant effect on entrepreneurial spirit (sig.p-value 0.649>0.05 so that hypothesis H3=rejected). The entrepreneurial spirit possessed by entrepreneurs has a positive and significant effect on business resilience (sig.p-value 0.046<0.05 so that the hypothesis H4=accepted).

Table 5: Hypothesis Result

	Sample Mean	Std.Deviation	T Statistic	P.Value
Entrepreneurship Competency	0.616	0.090	7.022	0.000
Utilization Of Technology	0.663	0.058	11.268	0.000
Government Support	0.089	0.134	0.455	0.649
Entrepreneurial Spirit	0.181	0.094	1.998	0.046

The interview results complement the results of quantitative data analysis related to the views of expectations and efforts made by business people in dealing with crises. It can be expressed through the results of interviews as follows:

In line with the entrepreneurial competence which revealed through respondents answer in questions of how



business actors think about the importance of entrepreneurial competence in dealing with crises, it shows that business actors in general consider that competence is the main capital of an entrepreneur and consider it as a passion so that when someone has a passion for entrepreneurship, they will try to survive during crisis because they are confident on their capability to overcome all the overcoming obstacles.

According to mostly business actors, Entrepreneurial abilities have been implanted in their souls. They have interacted with other people and tried to take value and benefits from their interactions. The nature of being able to create value is later becomes his soul in doing business. Love in the business is being something very strong to encourage them surviving in difficult times. In some case, passion on the business they are involved in is caused by the history of the business as a family business that has been carried out for generations.

Business people who were able to survive well during crisis, mostly they have utilized technology long before the crisis broke out at the end of 2019. It has become more intense after the spread of pandemic. Moreover, the restrictions on human interaction then led the use of technology becomes a major tool in doing business. For business actors who are already familiar with the use of technology, it is not a big thing when technology becomes the main tool in dealing with the crisis. On the contrary, the business actors who are less utilize technology before the crisis, they made big effort on how to use technology so that the crisis becomes a valuable experience and there is additional insight related to information technology. For them, the crisis is a precious moment to be able to run a business in accordance with the demands of the times in the current era of industry 4.0 revolution.

Government has tried hard to provide encouragement to business actors affected by the crisis. Several government programs have been launched including tax relaxation, credit payment delay and temporary unconditional cash transfer. Response of the respondents toward questions about government support were various. In general they were not giving positive response on government support of tax relaxation and credit payment delay because these assistances do not release the business actors from their obligations. They are just facilitated for the delay of payment but still have obligations in these payments. Government support that received positive responses was temporary unconditional cash transfer provided by the government for MSME actors affected by the crisis. The results of this interview are in line with quantitative data analysis results which shows that government support has no significant effect on business resilience.

Question of the questionnaire on why business actors were still enthusiastic about running their business during this conditions of crisis was responded by their view on the business being run as the main business that must be survived to support family life. Most of the MSME actors are business actors who rely their family's economy greatly on the business. They preserve the enthusiasm as they can, and motivate themselves to be able surviving their business during pandemic.

The question asked to find out the extent to which business actors manage their business in order to survive during the crisis was responded from business actors that they were trying to manage their business by adjusting with the conditions in the market, tightening budgets and good cash flow management so that businesses can carried out efficiently and effectively. They also strive to reduce unnecessary costs and make serious efforts to retain customers through communication and distribution channels that are appropriate during crisis.

In-depth interviews conducted in this study to explore business resilience in terms of entrepreneurial competence in companies. the informant stated that not only business owners must have the ability to do business but this entrepreneurial ability must be evenly distributed to everyone in the company including employees. this becomes important so that business resilience can be increased not only from the owner but it is strongly supported by all the members leading to institutional resilience. The way to distribute these competencies can be done by conducting education and training as well as coaching and mentoring to all employees in the organization.

From the description above shows that the interview results have been carried out support the results of quantitative data processing so that these results are complementary and provide complete information on the overall research results.

## 5. Discussion

The use of technology in marketing had been rampant before pandemic of Covid-19, it was kind of support in carrying out marketing at the time because direct marketing was still dominant in small and medium industries (MSMEs) marketing in Indonesia, whose largest market was consumers who made direct transactions. However, during pandemic of COVID-19, the use of e-marketing both through social media and web has become increasingly widespread and is not just a complement but has become the main tool in conducting transactions. Apart from the pandemic which has been crisis for the business world, this pandemic give positive

impact on the rising of awareness of the importance of using technology in business, especially if it is associated with the rise of the industrial revolution 4.0 which directs the growth of digitalization in business and marketing. The use of technology in business, particularly marketing, give impact on efficiency in business, lowering costs, and of course increasing revenues and establishing personal communication between sellers and buyers. The ability of utilizing technology is also one of the entrepreneurial abilities that must be met in today' information age.

The presence of COVID-19 pandemic further proves that entrepreneurial competence is one of the important factors for business actors to survive and exist despite of facing uncertainty conditions due to the crisis. Entrepreneurial competencies, including the ability to survive and the principle of risk-taking, are factors that have made many MSMEs entrepreneurs continued to survive during this pandemic. Even long before Indonesia had been facing Monetary Crisis in 1996 which proved that the entrepreneurial competence of MSMEs in Indonesia made this sector as an economic sector that could survive during the crisis. Those two crises had been taken place in Indonesia, namely the monetary crisis in 1996 and the crisis due to Covid-19 pandemic, give valuable lesson for business actors to prepare a systemized program to anticipate similar incidents that allow a crisis to occur by preparing a program that is currently known as Business Continuity Management (BCM) as stated by (Păunescu, Popescu, & Blid, 2018) that states In order to make organizations become more successful in responding to a complex, uncertain and full of risks and threats business environment, they are progressively considering to develop and build a business continuity management (BCM) plan.

With BCM, the vision and mission of the organization will be well distributed to all components of the organization and will make business resilience as a commitment of the whole institution. BCM in Indonesia, is still rarely implemented so that it will be a challenge and a new perspective for the small and medium enterprises in Indonesia.

Learning from the problems faced by business actors in the current crisis, for that in developing BCM to create business resilience, BCM must include passive and active business resilience. Passive business resilience is the resilience shown by a person or organization to be able to survive in unfavorable times such as the current pandemic, namely the COVID-19 pandemic. Passive resistance is done by using the skills and knowledge possessed, motivation or other abilities to maintain the business in order to survive. While active business resilience is business resilience by adding a system to make changes in line with crisis conditions (Burnard & Bhamra, 2019).

Active resilience in this study can be seen from how business people try to improve capabilities and expand systems by using technology to keep up with the latest conditions needed to manage business in times of crisis.

### **5.1. Managerial Implication**

This research provides practical implications as well as a perspective on how business actors survive in a crisis era which must be adapted as a new normality, especially in attitudes and managing their business ability to adapt to limited environmental demands. Besides, this research will encourage business actors to improve. Its ability to utilize technology for business management is important considering that even though the crisis has passed, a new perspective on business management is more efficient in the era of the industrial revolution 4.0 which utilizes technology massively today, so the current conditions will become a momentum which can be used as the start of business management by utilizing technology to achieve efficiency.

### **5.2. Theoretical Implication**

The results of this research will be able to enrich knowledge of science, especially in development of theories about business and entrepreneurship, the importance of exploring more deeply about the importance of entrepreneurial skills in developing business and how to direct these capabilities as the main capital in creating business resilience. The results of this study can also be used as one supports of the importance of technological literacy in managing a more productive and efficient business.

## **6. Conclusion**

Entrepreneurial Competence will be one of the important factors for entrepreneurs to survive in various crisis situations they face. Entrepreneurial skills will ease the owner to adapt to dynamic environment, one of which is related to the use of technology that becomes very important things in business management to make it more effective and efficient. This research indicated that entrepreneurial ability and the use of technology are two important factors for entrepreneur's spirit, especially those are in small and medium enterprises to be competent enough to survive and operate in the current new normal era, and make the business more resilience.

To anticipate future crises, learning from several crises that have occurred, small and medium-sized businesses in Indonesia must start thinking about making anticipatory

efforts in dealing with unfavorable conditions by creating a crisis management system that will direct business people to systematically anticipate any crises. The crisis management system developed is not only a tool to anticipate the current crisis but is also needed to anticipate economic conditions that continue to change in accordance with the development of science and technology in which if they cannot adapt with the current challenge of information technology, it will become the real crisis for their business.

Through the BCM concept, the idealism of crisis management can be well distributed to all organizational components which will ensure the concept of business resilience can run effectively and efficiently.

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