THE SURVIVABILITY OF SMALL MICRO ENTERPRISE (SME) IN INDRAGIRI HULU DURING THE EPIDEMIC

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Abstract

The spread of Korona Virus in along 2020 is unpredictable and uncontrolled. According to this condition, a lot of Big Company weakened and got involved in to a worst situation and even collapse. And of course, Small Micro Enterprise (SME) will be or had been bothered by the impact. Indonesian Government has made various efforts to avoid the effects of the COVID-19 epidemic on SME. There are a lot of ways and approaches implemented to overcome it. The objectives of the study is to find win-win solution for SME to keep survive during the COVID-19 epidemic. The population of the study is the Indragiri Hulu SME Entrepreneurs. The Category of five years are selected to be the sample which is limited to 10 successful survival entrepreneurs that represents the descriptive category. Moreover, the data analysis technique used in this study was data analysis with a data reduction model that was obtained from data collection and data display. The results of this study show six strategies based on push and pull factors theories, as social psychology theory which develop the survivalist entrepreneurship in Indragiri Hulu. The strategy also needs to pay attention on opportunity, added value, necessity, overcome and avoiding dissatisfaction of the previous way. Furthermore, it is also suggested that an entrepreneur of SME players needs to play strategy in order to establish and survive the business during the epidemic, because the epidemic is not the end of everything.

Keywords: Survivability; Small Micro Enterprise (SME)

INTRODUCTION

In the end of 2019, virus rises and spreads to all over the world. It is known as COVID-19. It becomes epidemic and influences to the economy growth. In the beginning of the spread, Indonesian seems to be slow in responding to the situation. As a results, this condition impacts to the business growth. It does not look the level, shapes, size of the business itself, but it effects everything.

Related to this situation, Indonesia government has played its role and attend as problem solver to keep the Small Micro Enterprise (SME) survive. The government believes that SME is the foundation to rid out of the epidemic impact. Nowadays, SMEs are divided into its economy activity including small and/or home industry. On this research the writers are attracted to examine local business in Indragiri Hulu. They don’t seem to be influenced by this epidemic. They run their business normally while others weakened and even closed. This Phenomena can be studied to find best strategy to get answer of survivability of SME in Indragiri Hulu during the epidemic.
RESEARCH QUESTION
Based on the description above it is necessary to identify the problem as follows: What are the strategy to survive the SME in the epidemic?

OBJECTIVES OF THE STUDY
The objectives of the study is to find win-win solution for SME to keep survive during the COVID-19 epidemic.

THERORETICAL FRAMEWORKS
Strategic Entrepreneurship
Entrepreneurship and strategy research have developed independently of each other (until recently), yet both academics have been concerned about certain common topics: the sources of innovation, organizational renewal, wealth creation, competitive advantage, growth, and flexibility (Van Rensburg, 2013).

Strategic entrepreneurship is taking entrepreneurial action using a strategic perspective. More specifically, it involves engaging in simultaneous opportunity seeking and competitive advantage seeking behaviors to design implement entrepreneurial strategies to create wealth (Djordjevic, 2013).

Sharma and Chrisman (1999) states Strategic entrepreneurship considers the firm as the fundamental unit of analysis. As such, SE is conceptually situated within the broader domain of firm-level entrepreneurship, also recognized in the literature as corporate entrepreneurship. Corporate entrepreneurship (CE) and SE are therefore related, but are not synonymous terms. While the narrative of CE has varied over the years, the most widely accepted definition reflects CE as the process whereby individuals create a new organization or instigate innovation from within an existing organization (Mazzei et al., 2017).

The Ireland et al. (2009) model suggests that entrepreneurial leaders intent on creating wealth should embrace a mindset that encourages new ideas and creativity, enables risk taking, tolerates failure, and promotes learning (Mazzei et al., 2017).

Most scholars now agree that, all other things being equal, businesses that consistently exhibit entrepreneurial behaviors outperform conservatively managed peers (Anderson et al., 2019).

Entrepreneur behavior
Some of the characteristics or behaviors associated with entrepreneurs are that they tend to be more opportunity driven (they nose around), demonstrate high level of creativity and innovation, and show high level of management skills and business know-how. They have also been found to be optimistic, (they see the cup as half full than as half empty), emotionally resilient and have mental energy, they are hard workers, show intense commitment and perseverance, thrive on competitive desire to excel and win, tend to be dissatisfied with the status quo and desire improvement, entrepreneurs are also transformational in nature, who are life-long learners and use failure as a tool and springboard. They also believe that they can personally make a difference, are individuals of integrity and above all visionary (Anderson et al., 2019).

Generational involvement plays the role of ‘wild card’ in realizing the benefits of entrepreneurship in the family firm, in that it can either support or detract from family firm performance (Lumpkin et al., 2011).
It has been known from previous studies on food culture both from a food perspective is an identity culture and company emphasizing food culture as an advantage for sustainability in global competition (Mardatillah et al., 2019).

**Survivalist Entrepreneurs**

Jesselyn (2006:10) defines survivalist entrepreneurs as individuals who run and manage enterprises owing to being unable to secure employment in the formal sector, but who have to find alternative ways to survive; employees who are not employed on a formal basis, and whose income levels are generally below the minimum poverty lines; while the business venture that they run requires minimal capital; and they lack training and experience (Town, 2015). The majority of survivalist entrepreneurs said that they are not aware of the incubation programs as the reason for not attending the program, while a few of them indicated that they do not have time to attend, as they are busy running their business (Town, 2015).

**Factors that contribute to the emergence of survivalist entrepreneurship**

In defining survivalist entrepreneurs, we observe that people do not always choose survivalist entrepreneurship as a legitimate, desirable career, but are rather forced by circumstances such as unemployment, the need for survival and job frustration. Veheul et al (2010: 4) argue that there are different combinations of motivations for individuals to be involved in entrepreneurship, which can be positive (pull) factors or negative (push) factors. Some of the factors are summarized in Figure 2.1 below:

![Figure 2.1: Push and pull factors](source: Nieman & Nieuwenhuizen (2009:35))

**Push Factors**

Jesselyn (2006:13) believes that people become survivalist entrepreneurs owing to unemployment and a lack of skills, as they become involved in these types of business ventures during periods of economic downswings, and during an economic boom they look for employment. Boyd (2000:1) mentions that members of destitute ethnic groups respond to labour exclusion by becoming survivalist entrepreneurs. From previous researchers’ views, unemployment has been identified as the major impetus towards survivalist entrepreneurship. Individuals may also be driven to survivalist entrepreneurship in reaction to a certain disruptive event, for example, retrenchment and unemployment (Veheul et al, 2010: 6)

According to Valenzuela (2000:338), a lack of resources is also a driving factor towards survivalist entrepreneurship. Valenzuela further mentions that people engage in economic activities in the informal sector because starting a new firm in the informal sector is less
expensive than in the formal sector. A lack of resources and labour market detriments are identified as the key to self-employment. Light and Rosenstein (1995: 22-25) mentioned that the reality is that those with sufficient resources normally avoid the informal sector, as their resources allow them entry into the mainstream (Town, 2015).

**Pull Factors**

Pull motivations include the need for achievement, the desire to be independent and social development possibilities (Veheul et al, 2010: 4). Bates (1987) in Valenzuela (2000: 345) argues that a large number of survivalist entrepreneurs are women who are attracted by the benefits of self-employment such as the ability to balance work and home which is more flexible in self-employment than in wage employment, as well as independence, and social status. This same view is supported by Gold (1992) in Valenzuela (2000: 345) who mentions that the attraction to entrepreneurship is the level of independence, prestige and flexibility, which is unavailable when one is under conditions of employment (Town, 2015).

Light and Rosenstein (1995) in Valenzuela (2000:339) reveal two useful types of survivalist entrepreneurs, which are value entrepreneurs and disadvantaged entrepreneurs. Value entrepreneurs are those who choose self-employment rather than low wage jobs owing to a number of reasons, which include independence, autonomy, social status and flexibility (pull factors). Whilst disadvantaged survivalist entrepreneurs are those who undertake self-employment owing to labour market disadvantages, earning higher returns on their human capital in self-employment rather than in wage and salary employment, or not having other options of employment. (Town, 2015).

Veheul et al, (2010: 7) assert that a combination of both pull and push factors can influence individuals to start business ventures. In the same notion, Birley and Westhead (1994:14) argue that starting a business is a multifaceted process, which involves a variety of motivation and stimuli (Town, 2015).

**RESEARCH METHODS**

The research is qualitative. The data collecting is primary data including questionnaire, interview and secondary data also helpful and derive from the survive SME entrepreneurs in Indragiri Hulu.

**Population and Sample**

The population of the study is the Indragiri Hulu SME Entrepreneurs. The Category of five years are selected to be the sample which is limited to 10 successful survival entrepreneurs that represents the descriptive category. Research variable on this study will be describe as strategy and survivalist entrepreneurship. The data gathering is derived from primary and secondary data. Interview and questionnaire are also required in supporting the study.

**Data Analysis**

The data is derive qualitatively and implemented descriptively and pointed by inserting citation to strengthen the accuracy. It is also related to the statistic descriptive by implementing ATLAS.ti 8.4 which aims to analyzing variables. Pre-collected research data were selected, both from observations and interviews. Then from the data are classified, categories and interpretations, by finding the relationship between the data in order to reveal the interrelated elements as an integrative whole.

According to Nasution (1996), that data analysis is a process of organizing data so that it can be interpreted. Organizing data means classifying it into patterns, themes or categories, and without the form of categories or classifications, then the data will be chaos (chaos). Data
analysis is the process of simplifying data into a form that is easier to read and interpret. The data analysis is based on this qualitative analysis in order to explain the relationship of symptoms or social facts to each other. This connection is not only to explain the relationship of various visible social symptoms but also to assess the causal relationship, based on the principle of understanding (verstehen) (Arikunto, S. 2010).

According to Weber, qualitative interpretation is done using the verstehen method, through this way the interpretation done is able to explain the cultural symptoms observed in the field in accordance with the meaning given by society or the subject of study. In the framework of such an analysis, the configuration of the emerging social symptoms is mapped from the perspective of the community's own point of view. (Platt, J. 1985). The community here can be represented by figures and community members or academics as informants in this study as a sample of data from the entire available.

Analysis of the data or information collected is done gradually. According to Miles & Huberman, data analysis consists of three streams of activities that occur simultaneously, namely: (1) data reduction; (2) data presentation; and (3) drawing conclusions or confirmations. The reduction of data in this study mainly concerns the selection process, simplification, classification of gross data that has been obtained. This decrease was made since and after the field study, as presented by Sanapiah, the analysis of the data was done in a process. The process means that its implementation has started since the data collection is done and done intensively, that is, after leaving the field. Decreases are made gradually by summarizing the data and looking at the scattered themes. From the study crew, the researcher has done an initial analysis of the data obtained until all the data is collected until the end of the study.

The presentation of data in this study is through the organization of a group of information into a reality. The data is presented in the form of text, which is re-dispersed, separately according to the source and once obtained then classified according to issues and needs of analysis. Finally, conclusions are drawn based on the reduction and presentation of data that has been done at previous levels. In the early stages, the knot is still loose and then summarized into more detailed and rooted.

Data analysis in qualitative studies is done at the time of data collection, and after the completion of data collection in a certain period. At the time of the interview, the author had analyzed the answers in the interview. When the answers interviewed after analysis feel unsatisfactory, then the researcher will continue the question again, to a certain extent obtain data that are considered valid (Sugiyono, P. 2005).

Data analysis was done using the method of analyzing the content of both direct and in-depth interviews and documentation. In general, this method is complex in terms of its implementation. Research methods using Atlas.ti software 8.4 The content analysis process used in this study is as follows: first, Transcribing verbatim data for interview data, Second, Collecting and cleaning document data, Third, Creating categories or coding; Fourth, Studying data in situations where researchers can produce many subsequent categories of data saturation is detected from the existence of repetitive codes and here a specific coding framework is built; Fifth, Generation of themes, patterns, and their relevance are both seen in interpretive contexts i.e. by giving meaning to texts from transcripts, documents and secondary materials; sixth, This type of framework is built on the theories and research questions that have been determined; Seventh, a summary is made in conclusion to the results of the Study (Levi-Strauss, C. 1987).
In this study the researcher uses interpretive paradigm with qualitative approach. Evaluation of study subjects by understanding the type of study following the understanding of interpretive methods. Assessment (hypothesis) of the subject in question is not a subject that has an absolute desire (absolute) but wants to find knowledge about reality. Assessment methods (hypotheses) that can link existing reality. Because the process of finding an object by the subject can produce a clear conclusion in actual reality.

As for testing the validity of data using triangulation techniques, some of the data obtained are validated through other sources. While data analysis is done through interactive model analysis (developed model) developed by Miles and Haberman (1994) that is through data collection and timing (data collection and timing), data display (data display), selecting and analyzing (data reduction and analysis) to the conclusion. (Maxwell, JA 2012) then refer to the guide the researcher did all the steps in this study.

RESULTS AND DISCUSSION

Nowadays SMEs in Indragiri Hulu

During the epidemic which started on December 2019, there was no direct impact in running the SMEs in Indragiri Hulu. The community seemed not pay attention to the worst situation of the world. It seemed they didn’t care. Nevertheless, on March 2020, the infected number increased. People were panic. Indragiri Hulu were in a big trouble. Starting with working from home, jobless etc. From the moment, a lot of SMEs collapsed and even closed. Unfortunately there are several SMEs kept running as a normal condition. This unique thing are great thing to study.

Existence of Survivalist Entrepreneur in Indragiri Hulu

Pandemic is not the end of everything. The entrepreneurs of existing SMEs are the proof. They succeed to survive even in the worst situation. They have principles. People needs food to live. Simple but it works. From the research, it is found that there are top ten successful entrepreneurs.

Strategy of Survivalist Entrepreneur during the Epidemic

Veheul et al (2010: 4) argue that there are different combinations of motivations for individuals to be involved in entrepreneurship, which can be positive (pull) factors or negative (push) factors (Figure 2.1).

Due to unemployment and a lack of skills, Indragiri Hulu individuals become survivalist entrepreneurs as they become active in these types of business projects during times of economic downswings and search for jobs during an economic boom. By becoming survivalist entrepreneurs, members of destitute ethnic groups respond to labor exclusion. Unemployment has been described as the main impetus for survivalist entrepreneurship from the views of previous researchers. In response to a certain disruptive occurrence, for example, retrenchment and unemployment, individuals may also be motivated to survivalist entrepreneurship. A scarcity of funding is also a motivating force for entrepreneurial survival. People are engaged in economic activities in the informal sector because it is less costly than in the formal sector to establish a new company in the informal sector. As the key to self-employment, a lack of capital and labor market detriments are established. The reality is that the informal sector is typically avoided by those with ample capital because their resources allow them to join the mainstream.

Pull reasons include the need for success, the ability to be autonomous, and possibilities for social growth. Women are drawn to the advantages of self-employment, such as the opportunity to combine work and accommodation, which is more versatile in self-employment than in wage
employment, as well as freedom and social standing, by a significant number of survivalist entrepreneurs. The level of freedom, prestige and versatility that is inaccessible when one is under employment conditions is an attraction to entrepreneurship. Two beneficial types of survivalist entrepreneurs are valuable entrepreneurs and underprivileged entrepreneurs. Value entrepreneurs are those who, due to a variety of factors that include freedom, autonomy, social status and versatility (pull factors), prefer self-employment rather than low wage jobs. While those who seek self-employment due to labor market disadvantages are disadvantaged survivalist entrepreneurs, they earn higher returns on their human resources in self-employment rather than in wage and salary employment, or do not have other employment choices. (Town, 2015). A mixture of both pull and push variables will influence people to start business projects. Starting a company is a multifaceted method involving a number of motives and stimuli.

![Survivalist Entrepreneurs Strategy](image_url)

Next, the researcher will describe the findings of this study according to the information that the researcher obtained from the informant. The researcher will also show the number of informants who answered based on the 6 strategies above.

![Figure 4.2: The results of the strategy](image_url)

In the diagram above, it appears that there are 8 informants who have the same point of view that the strategy needed for Survivalist Entrepreneurs Strategy is to increase necessity. While there are 8 informants who stated that the strategy needed is to solve the problem of need as a problem solver, and there is dissatisfaction with the previous marketing model with a balance of value 5, and also needed added value and daily need requirements, as well as push and pull.
Factors are key in achieving this strategy. The overall results of this study can be seen in the following figure 4.3 below:

![Diagram of the complete literacy model findings, analyzed through ATLAS.ti 8.4]

Referring to the figure 4.3, the push and pull factors organized all over the research result in finding the strategy. The existence of the top ten survivalist entrepreneur during the epidemic are answered clearly. It is mentioned that the survivalist entrepreneur tries to see opportunity, pull and push factors, added value and daily need requirements, necessity, overcome and dissatisfaction of previous ways factors. From the items, the survivalist entrepreneurs have established them into the scheme as follow:

A. Opportunity: The strategy to seek the opportunity is an effective ways to reach the success. They try to analyze the market needs, and arrange the right strategy for it. They assumed that, the pandemic is not the end of everything. It is a chance not a limitation to gain business profit. Towards their competitor, even others are closed, they see this as advantages. They have lack of business competitor. They yell that your business are closed, ours are gaining. They keep existing business during the pandemic. Stop is dangerous on the other hand, life must go on.

B. Push and pull factors: They are referring to understand the push and pull factor where pull factors drive to become entrepreneurial (opportunity) and push factors as necessity. This pandemic teaches them to be more independence, gain more, recognize the market, having personal development and wealthy. Push factors teaches them to survive during the epidemic. Because when they stop there will be unemployment, job insecurity, disagreement with management and do not fit with the organization they work for, and no more choice to be an entrepreneur. They seem has dissatisfaction of their previous job. At last, from the situation above they try to minimize the risk in running the
business.

C. Added Value: Related to push and pull factors, the survivalist entrepreneur should think harder than usual. They have to survive. As a result, new products are needed and plan new target and new achievement by coordinating with third party in search for the capital. Next, they try to establish their business to fulfill needs and building new concept for new prospects for the future.

D. Necessity: This is the basic thing to know. So, the survivalist entrepreneur can manage their business to fulfill the public needs. People need cheap and tasty products of course. Any kinds of activities are doing at home. This situation needs to execute via online. Online needs telecommunication media. The selling product of the telecommunication media should be cheap and easy to achieve by buyers because the public economy are impacted by the pandemic.

E. Overcome: They believe that they are giving solution for buyers. Because they can fulfill the needs of buyer, giving cheap product and service, then they try to do in best ways.

F. They try to decrease the dissatisfaction by convincing buyer and through great promotion (marketing), and building image.

CONCLUSION
To survive needs strategy. The strategy is win-win solution for to have by an entrepreneur. The strategy to survives are building capability in reading the situation, understanding the needs, analyzing the market, building added value, good product and answering the people needs, and establishing the satisfaction of the customer.

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