

A Study: Active Factors of Small and Medium Enterprise (SMEs) on Youth Community in Gelam Jaya Village, Tangerang Regency

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Covid-19 pandemic has hit almost all countries in the world. It also causes economic turbulence, including in Indonesia. Effects caused by this Covid-19 pandemic are perceived by all business sectors, including SMEs. This research was aimed at to find out the effects of Covid-19 pandemic on SMEs located in Gelam Jaya Village, one of villages in Tangerang Regency. Members of society from all levels complained over the effects caused by this pandemic. Employees lost their jobs, people lost their family members as they suffered from this Covid-19, the entrepreneurs encountered deep decrease on their turnover, and SMEs underwent decreases in their sales and many of them had to stop operating their business. The decreasing sales volume undergone by SMEs may be caused several factors, they were Sales Methods, Product Types, Promotion, and Distribution. In Covid-19 pandemic time, face-to-face sales were hard to conduct. The products considered to sell by the SMEs were basic needs which last long. Still, both promotion and distribution channels were interrupted by this pandemic. This is a quantitative research. The research was conducted by spreading questionnaires to SMEs located in Gelam Jaya Village. The data were later processed by using SPSS of 18 version. Thus, this research was aimed at finding what factors could be stimulants for youth community. So, they would be interested in entrepreneurship in order to develop economy in the middle of the pandemic. This research applied survey method within quantitative as its approach. There were 169 people from youth community in Gelam Jaya Village, Tangerang Regency. The method to process the data was factor analysis. The results of the research showed that the factor of 'Availability of Mentoring/Debriefing Routines for Entrepreneurship' (VAR00006) belonged to the first group and scored above 0.5. This means there were influences between the finished Mentoring/debriefing on introduction to AVP (availability, visibility, and promotion) strategy in the process of manifesting entrepreneurship or opening SMEs in the middle of this pandemic.

Keywords: Factor Analysis, SME's Activists

Introduction

Corona Virus Disease-19, or which is more known as Covid-19, was firstly found in China. China reported the existence of this new disease on Desember 31st, 2019. In the end of that year, World Health Organization (WHO) was informed there was a pneumonia-like disease whose cause had been unknown. Acute respiratory infection attacking lungs was detected in Wuhan City, Hubei Province, China. According to the online media sources, the authority told that some patients were the traders, whose activities were at Huanan fish market. Until now, Covid-19 has spreaded in almost all contries in the world (Bima, 2020).

The observer of International Economy from Shanghai Institute for International Studies China, Professor Chen told Covid-19 pandemic had paralyzed global economy outside of estimation (Wayan, 2020). It can be said that no one thought that the world underwent due to the

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extreme pandemic. The normally smooth economy life suddenly became volatile because of Covid-19. This, however, affects Indonesia's economy. As a country that has massive economy relation with China, Indonesia is surely going to undergo the effects of Covid-19 pandemic. Government estimated 1% China's economy downturn equaled to at least 0.6% of Indonesia's. (Fajar, 2020).

The Finance Minister, Sri Mulyani Indrawati (on Kompas.com: Ini Skenario Terberat Perekonomian RI Akibat Covid-19 Versi Mulyani, 2020) explained various scenarios related to the Covid-19 effects on Indonesia's economy. Within the oppression, the realization of economy growth in 1st quarter of 2020 was in level of 2.97%. Sri Mulyani appraised that the later scenario for economy growth was 2.3% until end of the year. This hard scenario implied that economy growth of Indonesia was only 0.4%. As we all know, the preceding year of 2019, Indonesia economy grew 5.02%. It can be said that the effects caused by Covid-19 pandemic cut the growth Indonesia economy up to 50%.

Various businesses suffered from this pandemic. Meeting, Incentives, Conference, Exhibitions (MICE), Bar, Restaurants, Cinemas, concerts, malls, and retails, consumers, electronics, automotive, and fuel were the most suffering. The SMEs (Small and Medium Enterprises) were no exception.

Chairman of SME Community - Tangsel Berkibar, Tasrudin said that at least 700 of 150 SMEs would get imperiled to collapse if the Covid-19 did not end. "In my database, we have 1500 SMEs, 700 of them are impacted. They still sell products, but if Covid-19 continues, they will highly be out of business," said Tasrudin when contacted on Tuesday (28/04/20) by Kompas.com (2020). Almost all SMSs complained the negative impacts of this pandemic. But there were also some SMEs benefited because of this pandemic. Those SMEs belong to health and pharmacy sectors whose activities are to produce masks, hand sanitizer, and personal protective equipment (PPE).

SMEs dominated by a youth community in Gelam Jaya Village, Regency of Tangerang, of course was also impacted by this pandemic. There were both negative and positive impacts caused. Those impacts depended on how the way to sell the products, product types, promotions, and distributions. In this pandemic time, SMEs were so hard to sell their product, moreover when Large Scale Social Restrictions was implemented. People, however, would switch from direct into online purchase. This was the time for the SMEs to see the opportunities to increase their sales volume.

Still, types of products sold by SMEs really determine to increase the sales volume. We frequently see around us that many traders add product types according to people's current needs such as masks and hand-sanitizer. Marketing also plays an important role, especially in improving the sales volume. Within attractive promotion, people will be interested in buying our products. In this pandemic time, the right promotion is still a must.

There are some researchers conducted on the factors influencing sales volume. The researcher limited this research by applying some factors, they were sales, product types, promotion, and distribution. As outlined above, this research aimed to find out which of these three variables influences most the sales volume of SMEs in this pandemic time.

Related Works/Literature Review (Optional)

Creative economy is needed to overcome the poverty rate in a certain region or country. The high poverty rate in Gelam Jaya Village required them to find other opportunities that could increase economy level its people. The village income is the entire revenue listed on its APBDes (village annual budget) in respective year. The APBDes includes:

1. Income Sources
 - a. Village Generated Income (PADes), which consists of incomes of village's natural resources, people's self-support and participation, community works, and other village's legal income sources.
 - b. Regency's Revenue Sharing Fund for Villages and regency's retribution aimed for villages which are proportionally distributed to every village.
 - c. Part of Central Advisory Fund or Local Advisory Fund for Regency which is p proportionally allocated as Village Funds.
 - d. financial aid from the central, provincial, or local government to perform the Government Affairs.
 - e. Grants and Donations from the third parties, which are non-binding.
2. Financial Aids from the central, provincial, and local government distributed through Village Cash.
3. Village's income sources which are possessed and managed by the villages are not condoned if they are taken over by central, provincial, and local government.

Creative economy has been an alternative for the youths to start business, but their number is very low because they lack knowledge ability in entrepreneurship. Creative thinking, leadership, and personal branding are important capabilities in digital era. The youth must have them in the middle of advanced and practical technology. The millennial generation should possess creative ideas and easier access to start their own businesses. Unfortunately, the youths generally do not possess the mentality on entrepreneurship. In 2018, President Joko Widodo said that there was only 3 per cent of Indonesia population that became young entrepreneurs (Fabian, 2018). This number is much fewer than in developed countries, which have until 14 per cent of its populations as young entrepreneurs. This number, however, indicates that the youths do not have mental endurance to have business in creative economy sectors.

Methods

This research type belonged to descriptive research. In this research, a phenomenom of a certain object is explored and depend. Thus, the research results can only be implemented for the research object and it provides the right and systematical illustration over the research phenomenon. The data were collected by taking respondents' answers from the questionnaires. Those questionnaires were distributed to SMEs in Gelam Jaya Village, Tangerang Regency.

Based on the interviews conducted by the researchers to the respondents, there were at least 12 dominant factors frequently appearing over the questions of: 'What factors did make you start a business?' The 12 factors were:

1. Social and family environments (X1)
2. Innovation and Creativity (X2)
3. Possession of Capital (X3)
4. Technology environment (X4)
5. Freedom in working (X5)
6. The availability of Debriefing / Mentoring Routines for Enterpreneurship (X6)
7. Self-esteem (X7)
8. Personal Challenge (X8)
9. Desire to be Boss (X9)
10. Luck factor (X10)
11. Demography factor (X11)
12. Motivation Factor (X12)

The existence of these 12 factors led the researchers to assume them as the ground phenomenon factors which later could be analysed in a factor analysis. The respondents were given questionnaires to answer in rank scales over the 12 factors mentioned above.

Based on the interview to Village Head of Gelam Jaya, it was informed that there were at least 169 youths listed in Youth Community of Gelam Jaya Village who already had businesses or enterprises. Thus, the whole youths were taken as the population of the research as the respondents.

In its practice, the questionnaires were answered when all the respondents attended the debriefing on introduction to marketing strategy, which was an online community service conducted by the researchers within the Gelam Jaya Village side. This event was conducted on 19-20 March 2021 by using online instrument accessed from <https://forms.gle/1qBHoFAVzJWkkD6s8>.

The data type in this research was research subject. This means the data were the ideas and opinions of the taken samples, which are SMEs in Gelam Jaya Village, Tangerang. Primary data, the data source in this research, were collected from the direct sources, who were students. The data required were: identifications of general SME data which included age, sex; and factors influencing the sales volume. Those data were obtained directly from the SMEs around Tangerang Regency. They were analyzed by using factor analysis (John, 2006)

Results

**Table 1. Outputs Of KMO
KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.706
Bartlett's Test of Sphericity	Approx. Chi-Square	167.669
	df	66
	Sig.	.000

Source : DataProcessing Results

To find out feasibility over a certain variable, which can be processed later in factor analysis, a researcher may use output KMO table and Bartlett's Test above (Budi, Ono, & Tatang, 2017). From the above table, we can find out that KMO MSA (Kaiser-Meyen-Olkin Measure of Sampling Adequacy) score is 0.706 higher than 0.50. This means that factor analysis can be continued. Besides that, from the table above we can find out the score of Barlett's Test of Sphericit (sig.) is (0.000 < 0.05). Thus, the factor analysis in this research could be continued because it met the first requirement.

Next, the researcher referred to Anti-Image Matrices to find out and determine which variables were appropriately applied in the factor analysis. Later, we could see on anti-image correlation part in the table. There was code 'a' which means sign for measure of sampling adequacy (MSA). It was found out that score of every research MSA:

1. Social and family environments (Var00001) was 0.780
2. Innovation and Creativity (Var00001) was 0.727
3. Possession of Capital (Var00001) was 0.711
4. Technology environment (Var00001) was 0.703
5. Freedom in working (Var00001) was 0.588

6. The availability of Debriefing / Mentoring Routines for Enterpreneurship (Var00001) was 0.851
7. Self-esteem (Var00001) was 0.465
8. Personal Challenge (Var00001) was 0.523
9. Desire to be Boss (Var00001) was 0.483
10. Luck factor (Var00001) was 0.857
11. Demography factor (Var00001) was 0.544
12. Motivation Factor (Var00001) was 0.718

Table 2. Output Communalities
Communalities

	Initial	Extraction
VAR00001	1.000	.597
VAR00002	1.000	.565
VAR00003	1.000	.563
VAR00004	1.000	.539
VAR00005	1.000	.531
VAR00006	1.000	.544
VAR00007	1.000	.595
VAR00008	1.000	.591
VAR00009	1.000	.586
VAR00010	1.000	.523
VAR00011	1.000	.503
VAR00012	1.000	.599

Extraction Method: Principal Component Analysis.

Source : DataProcessing Results

Next, from the above table, we can see that extraction scores were aimed to show the research variables, whether they could explain the factors or not. Based on the outputs above, we can find out that extraction scores of all variables were dominated by more than 0.50 scores. Thus, we can conclude that all variables can be used to explain the stimulant factors in entrepreneurship interest in youth community of Gelam Jaya Village. Table 3. illustrates the number of factors that may be formed. Seeing the number of factors formed must first pay attention to the eigenvalue value.

Table 3. Outputs Of Variance

Component	Total Variance Explained					
	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
dimension0	2.129	17.739	17.739	2.129	17.739	17.739
	1.434	11.949	29.687	1.434	11.949	29.687
	1.267	10.554	40.242	1.267	10.554	40.242
	1.206	10.051	50.292	1.206	10.051	50.292
	.995	8.295	58.588			
	.901	7.509	66.097			
	.837	6.974	73.071			
	.812	6.768	79.839			
	.744	6.204	86.043			
	.669	5.579	91.622			
	.512	4.266	95.888			
	.493	4.112	100.000			

Extraction Method: Principal Component Analysis.

Source : DataProcessing Results

The table of total variance explained (JM, 2006) shows the scores of each analyzed variable. In this research, there were 12 variables. This means there are 12 components analyzed within 4 factor variables formed, which can be analyzed next. These are shown by matrix component table (below), where correlation scores or relation of between variables within factors that will be formed. From the output table, we can see that the matrix component table:

1. Respondent samples from the first group consisted of variables with the same entrepreneurship interests, which were Social and Family Environment (VAR00001), Technology Environment (VAR00004), Freedom in Working (VAR00005), The Availability of Debriefing/Mentoring Routines for Entrepreneurship (VAR00006).
2. Respondent samples from the second group consisted of variables with the same entrepreneurship interests, which were Luck Factor (VAR 00010) and Motivation Factor (VAR00012).
3. Respondent samples from the third group consisted of variable with the same entrepreneurship interest, which was Self-Esteem (VAR00007), and
4. Respondent samples from the fourth group consisted of variables with the same entrepreneur interests, which were Freedom in Working (VAR00005), and Personal Challenge (VAR00008)

**Table 4. Component Matrix Outputs
Component Matrix^a**

	Component			
	1	2	3	4
VAR00001	.764	-.013	-.091	-.071
VAR00004	.717	.097	.110	.052
VAR00002	-.599	.198	.041	.254
VAR00006	.536	.005	-.389	-.074
VAR00005	.515	-.169	.153	.462
VAR00010	.168	.690	.115	.068
VAR00009	.124	-.557	-.065	-.237
VAR00012	.030	.500	.129	-.362
VAR00011	-.119	-.475	.315	.404
VAR00007	.009	-.049	.685	-.351
VAR00008	-.135	.182	-.522	.409
VAR00003	-.206	-.240	-.440	-.518

Extraction Method: Principal Component Analysis.

a. 4 components extracted.

Source : DataProcessing Results

Conclusion

From the outputs above, there are at least four sample groups of all measured population to find out which were dominant factors made stimulant when they were interested to start entrepreneurship (SMEs). This can be proved by the matrix component table above. The outputs show that variable of The Availability of Debriefing / Mentoring Routines for Entrepreneurship (VAR00006) belonged to the first group and scored above 0.50. This means there were influences between the finished activities on mentoring to introduce AVP strategy (Availability, Visibility, and Promotion) and the manifestation of interests to open SMEs or to start entrepreneurship in this pandemic time. (Sri, 2014).

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