THE EFFECTIVENESS OF DIRECTING OPTIONAL ACTIVITIES AS CAPITAL FOR SMALL AND MEDIUM ENTERPRISES BASED ON DIGITALIZATION IN THE CRISIS

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ARTICLE INFO

Article history:
Received 30 December 2021
Accepted 07 February 2022

Keywords:
Small and Medium Enterprises; The Covid-19 Crisis; Activity of Choice; Directing.

ABSTRACT

Purpose: This study aims to increase and direct the capital owned by SMEs so that they are able to survive in crisis conditions.

Theoretical framework: During the covid-19 crisis, companies sought innovative ways to survive. They must utilize inter-business networks, select productive activities, and adjust their marketing strategies. Agents of artificial intelligence have been utilized as a "creative class" (public knowledge). All SMEs are unprepared for the first time in economic history to adapt to the COVID-19 pandemic crisis. Therefore, SME managers must learn from COVID-19.

Design/methodology/approach: Qualitative descriptive approach was used aims to direct choice activities with individual performance in groups, data collection techniques with surveys. The research is focused on 300 small and medium-sized enterprises (SMEs) in five industrial areas in Central Java (Semarang, Pekalongan, Tegal, and Brebes) that are directly affected by the COVID-19 pandemic crisis.

Findings: The findings prove that the social aspects of the company, innovation and training are significant and positive sustainability factors. So far, there have been no fundamental changes made by SME owners to manage their business. still with the old concept with dogma that has been inherited from its predecessors by looking at what has been done in the past.

Research, Practical & Social implications: Further research needs to be studied more deeply about the dimensions of Directing Creativity choice in the micro and large sectors, the impact of leadership needs to be studied if this variable is included in further research.

Originality/value: The results of the study indicate that the first creative SMEs are able to survive the crisis, the second SMEs have sustainable programs and the third are innovative SMEs.

Doi: https://doi.org/10.26668/businessreview/2022.v7i2.0468
OS RESULTADOS DO ESTUDO INDICAM QUE AS PRIMEIRAS PMES CRIATIVAS SÃO CAPAZES DE SOBREVIVER À CRISE, AS SEGUNDAS PMES TÊM PROGRAMAS SUSTENTÁVEIS E AS TERCEIRAS SÃO PMES INOVADORAS

RESUMO

Objetivo: A investigação visa aumentar e dirigir o capital detido pelas PME para que estas possam sobreviver em condições de crise.


Desenho/metodologia/abordagem: Foi utilizada a abordagem qualitativa descritiva que visa direcionar atividades de escolha com atuação individual em grupos, técnicas de coleta de dados com pesquisas. A pesquisa está focada em 300 pequenas e médias empresas (PMEs) em cinco áreas industriais em Java Central (Semarang, Pekalongan, Tegal e Brebes) que são diretamente afetadas pela crise da pandemia de COVID-19.

Resultados: Os resultados da pesquisa comprovam que os aspectos sociais da empresa, inovação e treinamento são fatores de sustentabilidade significativos e positivos. Até agora, não houve mudanças fundamentais feitas pelos proprietários de PMEs para gerenciar seus negócios. ainda com o velho conceito com dogma que foi herdado de seus antecessores olhando para o que foi feito no passado.

Pesquisa, implicações práticas e sociais: Mais pesquisas precisam ser estudadas mais profundamente sobre as dimensões da escolha da Criatividade Diretiva nos micro e grandes setores, o impacto da liderança precisa ser estudado se essa variável for incluída em novas pesquisas.

Originalidade/valor: Os resultados do estudo indicam que as primeiras PMEs criativas são capazes de sobreviver à crise, as segundas PMEs têm programas sustentáveis e as terceiras são PMEs inovadoras.


LA EFICACIA DE LA DIRECCION DE ACTIVIDADES OPCIONALES COMO CAPITAL PARA LAS PEQUEÑAS Y MEDIANAS EMPRESAS A BASE DE LA DIGITALIZACIÓN EN LA CRISIS

RESUMEN

Propósito: Propósitos de investigación para aumentar y orientar el capital propiedad de las PYME para que puedan sobrevivir en condiciones de crisis.

Marco teórico: Durante la crisis del covid-19, las empresas buscaron formas innovadoras de sobrevivir. Deben utilizar redes interempresariales, seleccionar actividades productivas y ajustar sus estrategias de marketing. Los agentes de inteligencia artificial se han utilizado como una "clase creativa" (conocimiento público) (Shabbir y Anwer, 2018; Talwar y Koury, 2017; OCDE, 2019; Kern, 2020). Todas las pymes no están preparadas por primera vez en la historia económica para adaptarse a la crisis de la pandemia de COVID-19. Por ello, los directivos de las pymes deben aprender del COVID-19.

Metodología: Se utilizó el enfoque descriptivo cualitativo con el objetivo de dirigir las actividades de elección con el desempeño individual en grupos, técnicas de recolección de datos con encuestas. La investigación se centra en 300 pequeñas y medianas empresas (PYME) en cinco áreas industriales en Java Central (Semarang, Pekalongan, Tegal y Brebes) que se ven directamente afectadas por la crisis de la pandemia de COVID-19.

Conclusiones: Los hallazgos de la investigación prueban que los aspectos sociales de la empresa, la innovación y la formación son factores de sostenibilidad significativos y positivos. Hasta el momento, no ha habido cambios fundamentales realizados por los propietarios de las pymes para administrar sus negocios, aún con el viejo concepto con dogma que ha heredado de sus antecesores al mirar lo que se ha hecho en el pasado.

Implicaciones de la Investigación: Es necesario estudiar más profundamente las dimensiones de la elección de la creatividad dirigida en los sectores micro y grande, el impacto del liderazgo debe estudiarse si esta variable se incluye en la investigación adicional.

Originalidad/valor: Los resultados del estudio indican que las primeras pymes creativas son capaces de sobrevivir a la crisis, las segundas pymes cuentan con programas sostenibles y las terceras son pymes innovadoras.

Palabras clave: Pequeñas y Medianas Empresas, La Crisis del COVID-19, Actividad de Elección, Dirigir.
INTRODUCTION

The economic crisis caused by the COVID-19 pandemic has a broad multidimensional impact. Dimensions occur in the sector of small and medium enterprises (SMEs), especially in the human resources that are owned as the main driver of operations. Empowerment to improve the quality of human resources is rumored to have been carried out optimally and become a driver of the development of MSMEs, and has been based on Presidential Regulation No. 10 of 1999 (Edelia & Aslami, 2022). SME owners begin to learn to understand the changing external environment in order to survive in crisis conditions. One of the choices of SME owners to survive is to maintain potential human resources to carry out activities desired by consumers. A number of studies conducted during the COVID-19 epidemic show that new technologies such as the digitization of SMEs play an important role in crisis management. SME digitization of the entire manufacturing and supply chain, not just the manufacturing process of goods operations and related process management. The digitization of SMEs should help address global challenges including sustainability, resource and energy conservation and increasing productivity (Kagermann et al., 2013). So, it is necessary to react quickly and efficiently to customer requirements and produce the latest version at a smaller batch size (Spath et al., 2013). Industry 4.0 intends to incorporate increasingly effective and efficient production processes, which are generally recognized from large-scale production, and in industrial environments, where goods are produced by people and customer-specific methods (Modrak et al., 2019). Mass customization means the manufacture of customized goods by the consumer at a cost equivalent to a mass product. The SME framework is being replaced with a versatile and reconfigurable production and distribution system that provides responsive and collaborative strategies for decision making.

Small and medium enterprises need to confront these technological advances and reward them for gaining access to markets and discovering new areas of operation (Jutla et al., 2002; Poon & Swatman, 1999).

Research conducted by November (2020); World, (2020) shows that during the impact of the covid-19 crisis on the company's economy creatively, looking for ideas that can help find alternatives to survive. To survive, they must use inter-company networks, choose productive activities and change marketing patterns using technology. However, the same technology used by a company with a competitor company can help can also be harmful, because artificial intelligence agents have been used as a "creative class" (public knowledge) (Shabbir and Anwer, 2018; Talwar and Koury, 2017; OECD, 2019; Kern, 2020). The crisis caused by the COVID-19 pandemic is the first time in the history of the economy that all SMEs...
are not ready to adapt to the changes. Therefore, SMEs managers must be able to take the impact of COVID-19 as a lesson in running a business.

Learning as a continuous change in human performance or potential performance as a result of the learner's interaction with the environment (Lohr and Chang, 2005; Rahman, 2019). Learning theory sees the environment as the main force for developing individual performance, so many experts categorize learning theory as Behaviorism, Social Learning Theory (SLT) and Social Cognitive Learning Theory (SCLT). SCLT is a learning theory that arises from ideas that people learn by watching what other people do, and that human thought processes are central to understanding personality (Bandura, 1971; Nabavi, 2016; Zhou and Brown, 2017). In social cognitive theory, humans are agent operators in the course of their lives, not only internally looking at being governed by environmental events that produce practical experiences to becoming experienced agents. Personal factors exposed Stimulation exposure from practical experience will be reflected in the agent's actions in exploring, manipulating and influencing the environment that is taken into account. Personal factors also regulate their own motivation and the activities they pursue, employees who work in companies produce experiences that form a choice of activities that are beneficial for themselves and the organizations that oversee them (Kolzow, 2014; Nabavi, 2014a; NEA, 2017).

The choice of employee activities for flexible work is increasing, for small and medium companies/business actors The changing context of flexible work is creating new challenges and opportunities caused by the COVID-19 pandemic. In response to a changing job context, companies that support flexible work can remain competitive by taking advantage of emerging opportunities. Flexible work arrangements enable companies to meet current and future challenges by creating choice, accommodating generations, enabling complexity, and creating agility (Cooke, 2012; Lindley et al, 2019). But flexibility is the best way to implement flexible work arrangements is very important in avoiding difficulties for the company but individual performance results are decreasing (Russell, O'Connell, and McGinnity, 2009; Clarke and Holdsworth, 2017).

The chosen activity is work motivation to improve performance during the crisis due to COVID-19. Work motivation is an adaptive behavior that responds effectively to the demands of our work, work motivation consists of endogenous and exogenous (Grant & Shin, 2012). The current crisis has changed some basic working conditions such as work schedules, salaries, health insurance and selecting potential and non-potential human resources, which affects the type of motivation determined by the external conditions of workers. Self-determined work motivation (Endogenous) is weaker in intensity and does not last long than work motivation
The effectiveness of directing optional activities as capital for small and medium enterprises based on digitalization in the crisis
determined by others (Exogenous) (Navarro et al., 2014). Kukanja and Planinč (2012), Haider et al. (2019)suggesting that in times of economic crisis, money is the most important driving factor, this finding is consistent with attribution-based motivation theory, which is based on self-determination choice theory, which states that individuals are primarily motivated by factors that satisfy their most important needs.

Koole et al. (2019), Aleksić-Glišović, Jerotijević, and Jerotijević, (2019) states that the motivation of work carried out independently with motivation carried out by others is equally necessary to develop one's full potential. Self-determination will give personal energy to the performance of the organization and maintain its efforts to stay better than others but a person also needs direction from others, supported by social environment, naturally moves towards growth through satisfaction of basic psychological needs for autonomy, competencies, and linkages so that they can fully function to shape and integrate new experiences (Janosik, 2018;WHO, 2018; Koole et al, 2019).

Directing someone to improve competence and performance is the creativity needed in a group. Group social identity is divided into internal groups (in-group) and external groups (out-group). Social identity according toHenri Tajfel & John C (1979), Hornung, Bandelow, and Vogeler (2019), Koni et al. (2019) The need for self-esteem motivates group members to protect and enhance the positive benefits of their group. The fundamental challenge facing leaders in the twenty-first century is how to take advantage of individual potential and then harness it to generate innovation and organizational excellence. Creativity as a key element of competitive advantage, Creativity depends on setting the appropriate context for the emergence of ideas and their subsequent mobilization into innovative products and services (Cook 1998; Elidemir, Ozturen, and Babyghomog, 2020). When the context is situational (crisis due to COVID-19), then the right creativity can play their role in increasing the level and type of creativity in the organization. However, one's creativity will weaken when defending ideas ideally but the social environment does not support it(Baer 2010;Wilding et al, 2018). Creativity will not develop when the social environment is not supportive, there are restrictions, operational procedures are applied rigidly and there is no appreciation from the leadership and organization (Muzzio and Paiva Júnior, 2018; Tsoukas, 2020).

Creativity will emerge and increase if there are challenges that threaten the sustainability of the social identity of a group. Social identity theory according toHenri Tajfel & John C (1979)The need for self-esteem motivates group members to protect and enhance their group positivity. Social identity in its journey always compares two ingroup groups with outgroups and categorizes each group member. The first opinion presented by Tajfel is to explain why
people prefer to identify themselves by being a member of an ingroup, but does not explain why they tend to choose an ingroup over being a member of an outgroup, called the ingroup bias effect (Martiny & Rubin, 2016). Tajfel's second opinion is that people obtain information about their ingroup scores by making intergroup comparisons with outgroups that stand out on the relevant comparison dimensions, and that these comparisons focus on establishing positive ingroup status or positive ingroup distinctiveness (Martiny & Rubin, 2016). Therefore, people not only share social identity with other ingroup members, but also support ingroup members because they want to make their ingroup more positive than comparable outgroups.

Support other ingroup members in various ways, collaborate, form work teams in groups and increase individual creativity in ingroups. Someone who has creativity in the group has a competitive advantage, higher bargaining power than those who don't. Individual creativity and creative climate have a positive effect on the company; the effect of individual creativity is always followed by a creative climate when the effect is tested holistically. These findings emphasize the importance of a creative climate that encourages employees to be creative in order to improve company performance and innovation (Çekmecelioğlu and Gunsel 2013). Individual creativity will be more advanced and developed if it is supported by the freedom given by the organization to be creative and pay attention to the orientation of individual freedom of team members in leading to direct creativity (Stollberger et al., 2017).

The analysis of the problems that have been described basically are: The crisis caused by the COVID-19 pandemic is the first time in the history of the economy so that all SME players are not ready and During the SME crisis conditions are unstable and turnover decreases and there is a lot of reduction in the workforce. creativity is needed to be able to survive the challenges of change, choose strategic steps, both competent human resources to carry out activities that have a competitive advantage and also direct creativity and productive activities. So, Directing Creativity choice (directing creativity choice) is a concept that can be done in a crisis condition in order to survive and compete with other SME human resources.

Learning theory is how information is absorbed, processed, and retained during learning. Learning theories are grouped into two basic categories: Behaviorist learning theory or social learning theory (SLT) and cognitive-constructivistic learning theory or social cognitive learning theory (SLCT) (Bandura, 1971; Zhou and Brown, 2017). Social learning theory stipulates that people can learn new behaviors by observing other people. Previous learning theories emphasized how people behave in response to environmental stimuli, such as rewards and punishments. In contrast, social learning emphasizes the interrelationships between the social characteristics of the environment, how they are perceived by individuals, and how
motivated and able a person is to reproduce the behaviors they see happening around them. People influence and are influenced by the world around them. Predicting and changing human behavior requires long-term learning (Nabavi, 2014a; Felsen, 2019). Changing the behavior of human resources (employees) owned by SMEs in crisis conditions needs to be done with the criteria of a clear relationship what skills possessed by employees are in accordance with the changing environment, so that the selected employees have pride that their skills are needed by SMEs. Personal factors that can create self-esteem according to Nabavi (2014b) that self-esteem can affect behavior & cognition in the following ways: Activity choice, Goal setting, Effort & persistence and Learning & achievement. SMEs must choose what activities to do and what skills match the choice of activities.

Work motivation to get out of difficult situations due to the COVID-19 pandemic is the main factor for SMEs to work hard and motivate employees. Spector (2009) defines motivation as a person's inner state that influences him to behave in a certain way. Spector defines motivation as divided into two: firstly motivating a person towards a type of behavior among all other behaviors, secondly motivation related to the desire to achieve certain goals. The second motivation comes from one's individual needs. Personal needs are the central point in the motivation process, linking work motivation and job satisfaction as closely related phenomena. Motivation is sourced from a person who directly or indirectly improves quality, desire and better results. better results are related to the performance one has to achieve. To achieve maximum results, it is necessary to have work motivation. Grant and Shin (2012) is the psychological process that directs, energizes, and sustains action toward a job, task, role, or project. A person's motivation depends on how big their target is to achieve it, motivation comes from endogenous and exogenous (Kambon, 2015).

Endogenous motivation describes the level of motivation of employees in agents who participate in the value network and provide value-generating activities (Vorraber & Vössner, 2011). Endogenous motivation is based on Vroom's expectancy theory which holds that employees tend to rationally evaluate various work behaviors in the workplace and then select those behaviors they believe will lead to their most rewarded work-related rewards and outcomes (Vroom, 2015). Exogenous influences describe external forces, for example SME owners, that direct what to do in times of crisis (Vorraber & Vössner, 2011). This is done because of strategy, business or obstacles that cannot be avoided due to the challenges of the crisis. Motivation is a psychological process that causes stimulation, thus providing direction and stability to a person's behavior. As a basic concept of organizational behavior, motivation can provide insight into the reasons underlying an individual's personal behavior. Work
motivation is a psychological process that directs, energizes, and sustains action (Blašková et al, 2019; Koole et al, 2019).

The purpose of this study is to increase and direct the capital owned by digitalization-based SMEs so that they are able to survive in crisis conditions in four major areas along the North coast, namely, Semarang, Pekalongan, Tegal and Brebes. Improving the human resources owned is more creative, innovative and carried out in a sustainable manner. Directing Creativity choice (directing the creativity of choice) can increase capital capital so that there is something that directs motivation for learning, so that SMEs remain productive following environmental changes and are able to survive in the face of crises.

Several studies related to capital and digitalization have indeed been carried out on large companies. However, this research only focuses on increasing and directing the capital owned by SMEs so that they are able to survive in crisis conditions in the areas of Semarang, Pekalongan, Tegal and Brebes.

METHOD

The main goal is to understand the phenomenon of SMEs in Semarang, Pekalongan, Tegal and Brebes Central Java.

Interviews were conducted to collect data on preferred activities, and challenges associated with their services. The results of the interviews were combined with previous research to form the basis for developing an online survey. The goal is to audit businesses that have expressed an interest in digitalization but have not yet fully integrated digital tools into their day-to-day operations.

It produces various entrepreneurs and how they conduct interviews for SME improvement. Data science and ML generate various prospects for creating more business value to increase digitization in SMEs. The source of the transcript was read many times, and data was collected to assist the data parsing process. After organizing the results, a long summary was written to interpret the research with quotes from the interviewees.

Qualitative research was also conducted to describe the use of various marketing platforms and the advantages and risks associated with their services. Research is used to collect data also through surveys. The aim of the survey is to ascertain the effect of digitization on SMEs, the factors that influence the decision of SMEs to carry out preferred activities as capital for digitalization-based SMEs. In addition, identifying relevant guidelines, and qualitative descriptive approach using interview and observation methods on SMEs from the areas of Semarang, Pekalongan, Tegal, Brebes. The four areas are located along the north coast which
Sutrisno, Fachrunnisa O., Widodo. (2022) The effectiveness of directing optional activities as capital for small and medium enterprises based on digitalization in the crisis has an SME Industrial area. The area was chosen as the object of research because SMEs in the area have the greatest potential to determine the development of other SMEs in Central Java.

This study has analyzed 300 SMEs from the RegionSemarang, Pekalongan, Tegal, Brebes, which were selected based on the following criteria: the classification of SMEs according to Law No. 20 of 2008; the type of manufacturing SME, domiciled in the Industrial area, has been operating for at least five years. Every SME manager has the opportunity to survey and observe once, every SME owner is surveyed and observed once, managers who are also SME owners are surveyed and observed choose one of them. Achievement targets for Small and Medium Enterprises in the Central Java region because the most affected by the crisis at the beginning of the outbreak of the COVID-19 Pandemic from 33 provinces.

Researchers formed a team consisting of students and lecturers to conduct, interview and provide questionnaires to SMEs in industrial areas with prior permission from the Central Java Province Cooperatives and SMEs Office and also secondary data collection. The literature study used was taken from the Department of Cooperatives and SMEs from each Regency/City as the object of research.

The research instrument uses Questionnaire/Questionnaire, Interview, Observation and Documentation. The first step is to observe SMEs, record all SMEs that meet the criteria set out in this study. The second step is to do interviews in turn, this step is done because not all SMEs have different free time, different working hours, different rest periods and busy working on orders from consumers. The third step is to provide a questionnaire/questionnaire, this step is the most difficult part because of the busyness experienced by SMEs, the questionnaires given have to wait a long time to be returned and some questionnaires do not return because they are forgotten to be filled out. The fourth step is to select documents for analysis.

To interpret how SMEs are able to survive the crisis due to the pandemic, the authors use focused observation as a data analysis method. The creative dimension consists of four questions. One of the theories about creativity is the Four P's of Creativity (Rhodes, 1961). Based on this theory, creativity has four special dimensions, namely personal (person), push (press), process (process), product (product), innovative dimension, used a research scale of four dimensions of innovative work behavior from De Jong (2010), namely exploration of ideas, generating ideas, winning ideas, and application of ideas and sustainable dimensions using Product Service Systems (PSS) dimensions (Kwon et al., 2019), Product-Service System can be defined as the result of changing the focus of a business from making and selling physical products only to selling a system of products and services that can meet consumer demand by
taking into account social, economic, and environmental aspects. The location of SMEs in this study is as shown in Figure 1.

Figure 1: Research Location Map

RESEARCH RESULT

Briefing is done very often, so it becomes an important factor in the efficient and effective functioning of the organization.

*Directing Creativity choice* is a collaborative process of sharing knowledge about creativity to develop, survive and improve the performance of individual SMEs in creative, innovative and sustainable ways to repackage products, redesign products and open new networks. The concept of the model will work when there is a togetherness of SMEs consciously accepting each other's weaknesses and trying to openly accept other SMEs to cooperate.

Data from the survey in Central Java shows that of the 300 SMEs that were able to survive the crisis due to the pandemic, 40% (120 SMEs). This condition is caused because they have high personal creativity as many as 43 SMEs, mostly in the Tegal SME industrial area, creativity drives as many as 22 SMEs in the Semarang area. Businesses that are supported by complete infrastructure, process creativity as many as 31 SMEs are in the Pekalongan area and product creativity as many as 24 SMEs are in the Tegal area. The creativity of SMEs in the midst of a pandemic from the findings of this study is as shown in Table 1.
The effectiveness of directing optional activities as capital for small and medium enterprises based on digitalization in the crisis

Table 1. SME Creativity Data

<table>
<thead>
<tr>
<th>Variable</th>
<th>Dimension</th>
<th>Score</th>
<th>Result Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creativity</td>
<td>Personal (person)</td>
<td>43</td>
<td>Tegal SMEs</td>
</tr>
<tr>
<td>pusher (press)</td>
<td></td>
<td>22</td>
<td>SME Semarang</td>
</tr>
<tr>
<td>Process</td>
<td></td>
<td>31</td>
<td>Pekalongan SMEs</td>
</tr>
<tr>
<td>product</td>
<td></td>
<td>24</td>
<td>Tegal SMEs</td>
</tr>
</tbody>
</table>

The creativity data for SME managers is shown in Figure 2 as follows.

![Figure 2: SME Creativity](image)

Survey data in Central Java shows that of the 300 SMEs that were able to survive the crisis due to the pandemic, 40% (120 SMEs) were due to their high personal creativity, as many as 43 SMEs, mostly in the Tegal SME industrial area. in the Semarang area because it is supported by complete infrastructure, process creativity as many as 31 SMEs are in the Pekalongan area and product creativity as many as 24 SMEs are in the Tegal area.

SME innovation in the midst of a pandemic from the findings of this study as shown in Table 2.

Table 2: SME Innovation Data

<table>
<thead>
<tr>
<th>Variable</th>
<th>Dimension</th>
<th>Score</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovative</td>
<td>Exploration of ideas</td>
<td>16</td>
<td>SME Semarang</td>
</tr>
<tr>
<td></td>
<td>Generating ideas</td>
<td>9</td>
<td>Brebes SMEs</td>
</tr>
<tr>
<td></td>
<td>Win ideas</td>
<td>15</td>
<td>Pekalongan SMEs</td>
</tr>
<tr>
<td></td>
<td>Idea app</td>
<td>20</td>
<td>Tegal SMEs</td>
</tr>
</tbody>
</table>
Survey data located in Central Java shows that of the 300 SMEs that were able to survive the crisis due to the pandemic, 20% (60 SMEs) were due to their high personal innovation. And of the 60 SMEs, 16 of these SMEs include innovations in idea exploration in Semarang, 9 SMEs in generating ideas in the Brebes area, 15 SMEs in winning ideas in the Pekalongan area and 20 SMEs in the application of ideas in Tegal.

However, SMEs have the choice to continue open innovation or closed innovation. Open and closed innovation has its advantages and disadvantages for the sustainability of these SMEs; Therefore, for the sake of business sustainability, SMEs must identify the main objectives of their business. The sustainability of SMEs in the midst of a pandemic from the findings of this study is shown in Table 3.

Table 3: SME Sustainability Data

<table>
<thead>
<tr>
<th>Variable</th>
<th>Dimension</th>
<th>Score</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuity</td>
<td>Social aspect</td>
<td>14</td>
<td>Semarang SMEs</td>
</tr>
<tr>
<td></td>
<td>Economic aspect</td>
<td>63</td>
<td>Tegal SMEs</td>
</tr>
<tr>
<td></td>
<td>Environmental aspects</td>
<td>40</td>
<td>Pekalongan SMEs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0</td>
<td>Brebes SMEs</td>
</tr>
</tbody>
</table>
Sustainability is the most important aspect if SMEs are able to survive in crisis conditions due to the pandemic. 39% of SMEs pay attention to the sustainability factor of their business in a pandemic, the social aspect has the lowest score of 14 (especially in the Semarang area), this means that SME entrepreneurs consider the economic aspect more in order to survive (score 63), while the environmental aspect with a score of 40 is more appreciated by SMEs in the Pekalongan area. Meanwhile, SMEs in the Brebes area for sustainability aspects have a score of zero with the findings of social, economic and environmental aspects in the Brebes area not having good management, either by the SMEs themselves or by the government.

DISCUSSION

SMEs extract value from a changing environment and appropriate business models. Therefore, innovation is the main driver of business model innovation (Müller, 2019). So SMEs must adapt their business models to external threats and opportunities (Saebi et al., 2017). SMEs in the Semarang area explore ideas to survive a crisis situation by doing trial and error benchmarking products that are preferred by consumers. Generating ideas and for SMEs in the Brebes area is still being carried out by inviting experts in their fields, in collaboration with local universities, starting ways on how consumers remain interested in the products produced by SMEs. Winning ideas to become the mainstay of SMEs in the Pekalongan area by multiplying batik motifs, sizes up to the price level desired by consumers while the application of ideas is carried out by SMEs in Tegal by applying the concepts of making new products that have never been applied before, make small-scale products (orders can be made with only 5 orders, 

Research result Weerasiri (2016) explained that creativity is the basic capital of successful entrepreneurship and that SMEs are underdeveloped because of their inadequate creativity. This study also discusses several Barriers in the SME sector; some of it is in the external environment and some of it is in the organizational context. Lack of government support, lack of institutional support, lack of opportunity to see how businesses innovate, are the main external barriers and managerial barriers, financial barriers, technological barriers are the main internal barriers that faced by Small and Medium Size entrepreneurs. Research result Obiwulu et al. (2019) The findings show that the majority of SME employees are less interested in receiving and directing creative instructions. There was agreement between the two groups that group work would result in better creative performance. Unclear customer needs is a factor hindering the creative performance of the SME team. However, research Brinkley (2020) predicts in his research on OECD member countries that the 2020 economy will invest in
intangible knowledge assets such as creativity-based innovation dominated by the private sector. It will have strong key strategic institutions both on the science side such as the Technology Strategy Council and the creative side such as the Design Council working with relevant trade associations. This will develop a ‘total innovation’ approach at the city-region level to complement the current regional development focus.

Competition is something that naturally occurs in companies, including in the SME sector so that each maximizes the use of available resources, under normal conditions, grows through the use of limited resources more efficiently. However, given the COVID-19 pandemic, in the medium term, we face the risk of economic depression, bankruptcy and high levels of unemployment for several years. In such an environment, the priority goal is to promote economic growth as quickly as possible, and to create redistribution mechanisms that will reduce economic suffering for the lower economic classes and to ensure that the economic framework created will be more resilient in the future. Thus, creativity is needed in sectors affected by the crisis, especially SMEs and also a number of large companies, thereby preventing bankruptcy (Jenny, 2020). The creativity of SME actors has been carried out by forming personal SME actors, both owners and workers by participating in trainings held both at the village level and at the regional level held by the Regency. The training was a driving force for SMEs to come up with ideas to be more creative about what the market wanted so that they would know in detail the process of making a product from start to finish, which product will be sold in the market. The creativity of SME actors has been carried out by forming personal SME actors, both owners and workers by participating in trainings held both at the village level and at the regional level held by the Regency. The training was a driving force for SMEs to come up with ideas to be more creative about what the market wanted so that they would know in detail the process of making a product from start to finish, which product will be sold in the market. The creativity of SME actors has been carried out by forming personal SME actors, both owners and workers by participating in trainings held both at the village level and at the regional level held by the Regency. The training was a driving force for SMEs to come up with ideas to be more creative about what the market wanted so that they would know in detail the process of making a product from start to finish, which product will be sold in the market.

Research conducted by OECD (2019b) The result is that innovation is a key driver of long-term productivity and growth and can help solve social challenges at the lowest possible cost. Innovation in small and medium enterprises (SMEs) is at the core of an inclusive growth strategy: more innovative SMEs are more productive SMEs that can pay better wages and offer
their workers better working conditions, thereby helping to reduce inequality. In addition, the latest developments in the market and technology offer new opportunities for SMEs to innovate and grow. Digitization accelerates the dissemination of knowledge and allows for the emergence of new business models, allowing companies to grow very quickly, often with fewer employees, tangible assets or geographic footprint. Study Khan and Arshad (2019) explained that SMEs must always be innovative and pursuing open innovation primarily for market-related motives such as meeting customer demands, or keeping up with competitors. Their most important challenge with open innovation is securing trade secrets.

The sustainability aspect is the company's interaction with the environment. The environment includes social aspects, SME owners pay close attention to social aspects with how important the product made is useful in the social environment where the SME is located, then how much is the economic benefit aspect for the community, especially consumers. The results of research conducted by Burlea-Schiopoiu and Mihai (2019) is to know the budget related to the social aspects of the company, Innovation and Training, as a sustainable factor, as well as the financial results of SMEs. The findings prove that SMEs can use training and innovation to increase their social impact on sustainability by focusing on positive financial indicators. In detail, the research findings prove that the social aspects of the company, innovation and training are significant and positive sustainability factors. Related to the economic aspects of research results Bourletidis and Triantafylopoulos (2014) explained that the economic aspect (especially financial) is decisive for sustainability, and Small and Medium Enterprises in a prolonged period of economic crisis may experience a disproportionate economic downturn, due to their limited financial resources and dependence on bank loans, paying high interest rates. Apart from the financial aspect, their relative lack of technological, managerial and human capabilities could reduce their capacity to cope with the economic crisis. On the other hand, their greater dependence on customers and suppliers can increase the difficulty in sustaining their activities in the face of crises. On the other hand, many studies show that there are still some sectors that are affected by the financial crisis.

Study Nulkar (2017) explained that environmental aspects determine the sustainability of SME businesses, the scale of environmental damage caused by SME activities has sparked a widespread revival to improve the environment among business, government, and civil society. Around the world, companies have responded by carrying out selected activities as capital for SMEs based on digitizing practices and reporting on a sustainable basis. However, much of this happens within a corporate environment. As larger organizations outsource their manufacturing operations and services to SMEs, they effectively shift their environmental
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burdens on their vendors. In most developing countries, poor regulations and weak enforcement of environmental laws make their SMEs stand alone, to improve their environmental practices.

Changes in the economic environment over the past six months caused by the COVID-19 pandemic are dynamic and unpredictable. Dynamic changes in the external environment must be accompanied by changes in the organizational environment and the internal environment of SMEs that demand creative solutions and innovative responses. Such an innovative response is highly dependent on the creative performance of each employee. The main driver of an employee’s creative performance is the influence of SME owners as operational and managerial leaders. In particular, the awareness and attention of individuals and leaders makes a huge difference in individual creativity (Çekmecelioğlu and Gunsel 2013). Individual creativity in groups determines overall performance in the organization, if individual creativity is good overall then group creativity is good. Comparing creativity between one person and others in a group is a characteristic of social identity. The high creativity of a person towards the organization is determined by how much they contribute to the organization when the crisis is happening. Creativity is the main key for an organization to be able to survive in the conditions of COVID-19 (World, 2020). Academics and professionals need to pay more attention to creativity. One of the reasons SMEs have not been able to withstand the impact of CIVUD-19 is the lack of attention to creativity. A related problem seems to be a systematic restraint of creativity. SME owners need to prepare their human resources for a better future, stimulate, challenge, and be ready to face change. So far, there have been no fundamental changes made by SME owners to manage their business, still with the old concept with dogmas that have been inherited from their predecessors (parents, close friends) by looking at what has been done in the past. Some SMEs what to do during the COVID-19 crisis. Confusion leads to the possibility of difficulty determining which human resources (employees) have creativity in accordance with environmental changes. Creativity is an individual level factor, creative behavior is best applied at the organizational analysis level. To encourage and enhance creative behavior, the recommended first step is to encourage individual creativity (World, 2020).

Creative individuals always choose activities that are different from others, are able to predict environmental changes and make what society needs today. Choosing an activity is a strategy of independently choosing an option provided from two or more possibilities (Wan, 2013). The Choice activity is an antecedent based strategy that emphasizes the environment, which means a change in teaching conditions. Choice activities are associated with decision-making and behavior that is determined by the personal factors of human resources themselves. SME owners can direct and facilitate choice-making by offering two or more forms of learning
activity options. Personal factors that are able to predict environmental changes will be able to change behavior to be more productive and have creative ideas by doing learning as well as practicing these ideas. Learning theory according to Speers (2016) is to provide a theoretical framework for understanding how people learn, how people acquire new knowledge, develop skills, modify attitudes and values, and learn new behaviors. Choosing the right activities can prevent SMEs from going bankrupt caused by the COVID-19 pandemic. The government has implemented a solution for SMEs to change the way they run SME businesses with an online system (Indrawan et al., 2020). However, SMEs are a type of business that has its own uniqueness, most of the SME businesses were initially just unintentional and did not know the use of technology (Prayitno, 2018). Learning about changes in the external environment of SMEs needs to be improved again so that choosing the right activities what consumers need and the right human resources to carry out these activities is not in vain.

Selecting activities requires direction from individuals who are more experienced than group members. SME owners and managers give importance to its employees who are able to lead others. A manager needs to use various means to lead, motivate and inspire subordinates and to communicate with them appropriately, collectively called the management directing function (Ford Motor, 2012). The importance of directing can be understood by the fact that every action in an organization begins only with directing. Directing guides towards the achievement of common goals. Through briefing, managers not only tell people in the organization what they should do, when they should do it, and how they should do it, but also see that their instructions are implemented in the right perspective (Ellyn Shook, 2019).

CONCLUSION

SMEs have extracted value from a changing environment and a suitable business model. Therefore, innovation is the main driver of business model innovation. Thus, SMEs must adapt their business models to external threats and opportunities. SMEs in the Semarang area explore ideas to survive a crisis situation by doing trial and error benchmarking products that are preferred by consumers. Generating ideas for SMEs in the Brebes area is still being done by inviting experts in their fields, in collaboration with local universities, starting ways on how consumers remain interested in the products produced by SMEs. Winning the idea of becoming a mainstay of SMEs in the Pekalongan area by multiplying batik motifs, size up to the price level desired by consumers while the application of ideas is carried out by SMEs in Tegal by applying the concepts of making new products that have never been applied before, making small-scale products. Unclear customer needs is a factor hindering the creative performance of
the team in SMEs. Intangible knowledge assets such as creativity-based innovation are dominated by the private sector. The sustainability aspect is the company's interaction with the environment. The environment includes social aspects, SME owners pay close attention to social aspects with how important the products made are useful in the social environment where the SMEs are located, then how much is the economic benefit for the community, especially consumers. The results of the research conducted by Burlea-Schiopoiu and Mihai are to find out the relationship between the budget related to the social aspects of the company, Innovation and Training, which is defined as a sustainable factor, and the financial results of small and medium enterprises. The findings prove that SMEs can use training and innovation to increase their social impact on sustainability by focusing on positive financial indicators. In detail, the research findings prove that the social aspects of the company, innovation and training are significant and positive sustainability factors. So far, there have been no fundamental changes made by SME owners to manage their business. still with the old concept with dogma that has been inherited from its predecessors by looking at what has been done in the past. Some SMEs what to do during the COVID-19 crisis. Confusion leads to the possibility of difficulty determining which human resources have creativity in accordance with environmental changes. Creativity is an individual level factor, creative behavior is best applied at the organizational analysis level. To encourage and enhance creative behavior, the recommended first step is to encourage individual creativity. Confusion leads to the possibility of difficulty determining which human resources have creativity in accordance with environmental changes. Creativity is an individual level factor, creative behavior is best applied at the organizational analysis level. To encourage and enhance creative behavior, the recommended first step is to encourage individual creativity. SMEs in facing the prolonged crisis due to COVID-19 require serious learning about changes in the external environment so that they can choose what activities are needed and place the right human resources to carry out these activities. In times of crisis creativity plays a very important role, individuals who have creativity will quickly catch changes and create what should be done, individual high creativity also has more value among the group (in-group) and becomes a competitive advantage for SMEs. This condition is also due to them having high personal creativity, driving creativity, SMEs supported by complete infrastructure, process creativity and good product creativity. However, SME owners and managers sometimes have
different goals regarding employee creativity with planned creativity, so it is necessary to have a direction on what creativity should be directed to face crisis challenges. Another weakness is that the selection of creativity will not work if there is no looseness in the rules in SMEs, strict rules and limitations of a dynamic learning environment.

Further research needs to be studied more deeply about the dimensions of Directing Creativity choice in the micro and large sectors, the impact of leadership needs to be studied if this variable is included in further research.

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