

Analysis of Entrepreneurs on SME's Agility to Stay Competitive During the Covid-19 Pandemic

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Abstract

Covid-19 hits a significant impact on small-medium enterprises (SMEs). However, SMEs grasp more than 50% contribution to the national economy. Hence, it is imperative to understand SMEs' enabler and inhibitors factors of competitiveness during the pandemic. This research aimed to investigate individual factors that may support and prevent SMEs from being agile and competitive during the pandemic. The research uses an explorative approach through a qualitative method by interviewing 12 SMEs top management and owner. Using Nvivo for data analysis, this study finds that proactiveness, innovativeness, and creativity in exploring new markets, finding new ideas, and taking risk to increase business scale are necessary to accelerate SMEs' agility and competitiveness. While resistance to change and slow response to top management challenges are identified as inhibitors factors for SMEs to be agile. Through these findings, this study also contributes to the theory of competitive and entrepreneurship by giving enabler and inhibitors factors of entrepreneurs to stay competitive in uncertain conditions like the pandemic. Further, in practice, this study suggested that the entrepreneur should update information through social media, E-newspaper, television, and well-known website regarding the macroeconomic, the pandemic news, and market changes. Having emergency planning in uncertain conditions may also help SMEs to stay competitive.

Keywords

Small Medium Enterprise (SME), Pandemic, Entrepreneur, Agility, Competitiveness

1. Introduction

Advances in industry 4.0 have helped many people as well as changing the and become supporters for Small and Medium Enterprises (SMEs) to be able to compete more with their competitors (Masood and Sonntag, 2020). The existence of advanced technology allows entrepreneurs to record more profits. However, during rapid technological advances, new problems arise in SMEs that have a significant impact on entrepreneurs are coronavirus or better known as Covid-19. The virus that attacks the respiratory tract that can be transmitted to humans, first appeared in December 2019. Transmission of this disease is through the air or droplets has push government to apply human movement restriction (Singhal, 2020). This restriction have bring business turbulence that impact on minus economic growth, weakening stock markets, and interrupted supply chains (Gates, 2020). For Indonesia, the Gross Domestic Product (GDP) which was recorded minus 5.32% and 3.49% for the second and third quarters of 2020 (BPS, 2020), and led Indonesia entering economic recession like others world.

SME itself is a productive business activity mostly owned by individuals which includes various business lines and sectors. Though it is small in terms of size, they are economic driver for many developing/transition countries (Kopnina and Blewitt, 2018). The role of SMEs such as open employment opportunities, contribute to GDP, and providing substitute product for low-income communities. Unfortunately, same as others big companies, pandemic has hit them hard. In Indonesia, almost 80% of total SME are predicted will be less competitive in Pandemic time (Thaha, 2020). Competitiveness appears to be associated with the following five elements: frequently defeating main competitors in the marketplace, providing higher quality products and services to customers, recognizing market changes, responding more quickly to market opportunities, and finally responding more promptly to market demands (Lafuente *et al.*, 2020). To thrive in today's condition, SMEs must focus on how to overcome obstacles and improve

their competitiveness. One researcher has stated that improving competitiveness processes and implementing rapid changes are critical components of a company's market success (Paramasivan, 2019).

The main characteristics of industry 4.0 are rapid product development, flexible production, and a volatile market. In this sense, the orientation entrepreneur is critical because it reflects a leader's perception to take the SME and direct employees toward the achievement of organizational goals that include recognizing and exploiting entrepreneurial opportunities and enhancing creativity (Renko *et al.*, 2015). Entrepreneurs are regarded as leaders par excellence because they identify opportunities and allocate resources appropriately for various stakeholders to capitalize on these opportunities and create value (Leitch and Volery, 2017). Ngah and Jusoff (2009) and Man and Lau (2002) agreed that focusing on the internal factor of entrepreneurial orientation (EO) would allow SMEs to emerge as key players. Bennet (2016) contends that most start-ups are managed by individuals who lack entrepreneurial orientation (EO), resulting in company failure, because lack responsiveness to last-minute changes (Weber and Tarba, 2014).

Entrepreneurial orientation, according to Fainshmidt *et al.*, (2019) can be classified as innovativeness, pro-activity, and risk-taking. These three characters are more likely to produce creative outcomes that are highly relevant in the context of a dynamic business landscape, like today. However, it appears that SMEs are not focusing enough on entrepreneurial orientation (Khan *et al.*, 2021). Similarly, Chin (2003) found that many SMEs place little value on upgrading themselves by attempting new and unusual activities such as developing unique products. According to Rehman *et al.*, (2019), top management in SMEs are hesitant to take risks by embarking on an unknown project. Therefore, it appears that SMEs are unable to anticipate future problems, needs, or changes; as a result, SMEs fail to plan on projects, and as a result, many SMEs are lacking in terms of competitiveness.

Furthermore, researchers have agreed on the importance of organization agility considering current challenges such as a volatile market, an accelerating rate of innovation, and globalization (Weber and Tarba, 2014). The agility is regarded as the primary determinant of firms in a volatile market (Joiner, 2019). Given the need to reconsider the design of traditional processes in order to fully realize the potential of Industry 4.0 (Agostini and Filippini, 2019), agility is viewed as an important capability that enables firms to perform in a fast-paced and uncertain environment. Agile firms can adapt to disruptive changes (Franken and Thomsett, 2013), allowing them to handle continuous and systematic changes in an organization's products, services, and structures in a more effective and efficient manner.

1.1 Objectives

Knowing that currently SMEs is struggle during pandemic, and rapidly to adjust their business process with industry 4.0 to stay competitive. Thus, it may be necessary to investigate the enabler and inhibitors factor of entrepreneur to make SMEs more competitive through agility in Pandemic period. By achieving this aim, this study may contribute to the literature of entrepreneurship by defining enabler dan inhibitors factor of entrepreneurial orientation that impact on the agility to achieve competitiveness. In practice, this research will help owner of SMEs to select person which have of supporting attitude to lead the company, as well as minimize inhibitors, so the SME will be agile to adjust with the customer need/demand during the pandemic. Further, learning from this study, government may give training to the leader of SMEs over entrepreneurial orientation attitude.

2. Literature Review

2.1. Entrepreneurial Orientation

The study of entrepreneurial orientation (EO) is been introduced by Mintzberg (1973), and then follow by Lumpkin and Dess (1996). Work of Mintzberg (1973) proposes three modes of strategy formulation: planning, adaptive, and entrepreneurial. The planning mode entails systematic information gathering for situational analysis, the generation of alternate strategies, and the selection of the best strategy. While the adaptive mode is more concerned with reactive solutions than with proactive search for new opportunities. The entrepreneurial mode is characterized by an active pursuit of entrepreneurial opportunities and growth.

In the journey, these three modes have own follower. For instance several scholars who favorable to the planning mode, define EO as a process or activity that focuses on making a planning that leads to new entries (Amin *et al.*, 2017; Ferreira and Coelho, 2020; Guzmán *et al.*, 2019). EO becomes a level in the company to be more active in marketing products and always innovating and creating a new company (Mthanti and Ojah, 2017).

While group of adaptive mode, viewing EO as strategy-making processes that provide organisations with a basis for entrepreneurial solution through manager's decisions and actions (Rauch et al., 2009; Lumpkin and Dess, 1996). These academics believe that entrepreneurship should be viewed as an organizational behavior rather than an individual action (Gürbüz and Aykol, 2009). Entrepreneurship at the firm level, according to Covin and Slevin (1991), is appropriate because entrepreneurial effectiveness is arguably a firm-level phenomenon. In other words, an entrepreneur's effectiveness can be measured by the performance of his or her company. Firm performance is influenced by both organizational and individual behavior.

Group of entrepreneurial mode see EO from individual point of view. According to Covin and Lumpkin (2011), entrepreneurial orientation (EO) is a process in which individuals in an established firm seek entrepreneurial opportunities to innovate regardless of the level and nature of currently available resources. EO is a method of acting entrepreneurially within a well-established organization. According to Khandwalla (1976; 1977), entrepreneurial management style refers to a bold, risky, and aggressive approach to decision-making as opposed to a more cautious, stability-oriented approach. This group believe that EO is a construct at the individual level that consists of three dimensions: innovativeness, proactivity, and risk-taking (Miller and Friesen, 1983).

The dimension of innovativeness denotes the drive to initiate new services/products as well as strategies; thinking outside the box in the exploration and exploitation of new products/services (Hamel, 2001). Proactivity reflects the ability to generate ideas, strategize to ensure a continuous demand stream from the market, and meet the needs and demands of customers. The ability to take bold action by venturing into the unknown despite a lack of/limited business experience is referred to as risk taking. Lumpkin and Dess (1996) increased the number of EO dimensions to five by including competitive aggressiveness and autonomy. Competitive aggressiveness refers to how firms interact with their competitors in the market. Autonomy refers to an individual's key independent actions in bringing forth an idea and vision and seeing it through to completion. This research will investigate entrepreneurship at the individual level based on these propositions.

Empirical studies that have conducted, prove that EO have positive impact on competitiveness moderated by financing support (Khan *et al.*, 2021). According to the researchers, each dimension of entrepreneurship may have a different relationship with performance variables (Lakbir and Chihab, 2019). According to Covin and Slevin (1989), firms operating in hostile competitive environments with intense rivalry among firms adopt innovations more frequently than firms operating in more benign competitive settings as EO will increase the agility of the firm. According to Miller (1983), an entrepreneurial firm is one that engages in product market innovation, takes on somewhat risky ventures, and is the first to come up with proactive innovations, beating competitors to the punch.

According to Amin et al. (2017) firms with an EO strategic focus may be able to access debt capital due to better relationships with debt capital providers. Access to capital can help a company compete better. Aktan et al. (2008) argued EO activities in firms have resulted in diversified products and markets, as well as playing a role in producing impressive financial results. Intangible outcomes such as knowledge, skill development, and job satisfaction are also positively associated with EO. While Awang et al. (2010) stated a firm's ability to remain competitive is directly related to its willingness to take calculated risks. Similarly, Fairoz et al. (2010) argued firm-wide innovation in new products, services, and processes can lead to agility of the firm to achieve long-term competitiveness.

Furthermore Zampetakis et al. (2011) suggest firms with a higher entrepreneurial orientation (EO) outperform firms with a lower EO. According to Van Geenhuizen et al. (2008), EO can help a company create and maintain market competitiveness. Study of Haung et al. (2011), firms that are proactive and competitively aggressive have a forward-thinking, opportunity-seeking perspective. It is critical to be proactive in establishing links and networks with various sources of finance.

2.2. Organizational Agility

Organizational agility (OA) is part of the company's ability to face the challenges that exist in their environment. Researchers define OA as the company's ability to respond to unexpected changes and then anticipate them by reconfiguring resources, capabilities, and strategies efficiently and effectively to face business challenges and beat the competition (Ghasemaghahi *et al.*, 2017; Liu and Yang, 2020; Žitkienė and Deksnys, 2018). Facing unpredictable challenges and then responding and taking action, it is imperative for companies to face them.

In his research (Liu and Yang, 2020) describes OA into two parts. First is sensing capability. This ability becomes the organization's ability to feel the changes that occur in the external business. This capability is considered as a critical capability of an organization in facing challenges in an effective and timely manner in reconfiguring resources, internal and external information, and rearranging strategies in the face of changes in the market. Second, response Capability, which means the company's willingness to act in dealing with problems efficiently and effectively, by configuring and coordinating external and internal resources that exist in the company as an action in facing challenges, which are used to develop new strategies in facing challenges in the market to create a quality and empowered company. high competitiveness. In this study, OA is the company's ability to act to achieve a goal in an effective and efficient manner as well as reduce uncertainty and increase the ability to compete.

2.3. Competitiveness

Competitiveness itself is usually considered as the ability of society, company, economy or competition that occurs on an international scale, in bad economic conditions companies look for other companies as their rivals to be used as guides (Farhikhteh *et al.*, 2020). Competitiveness is grouped into three (Falciola *et al.*, 2020): (1) Compete - The company's ability to compete at a certain time is shown in the company's capabilities such as quality, quantity, and competitive prices. (2) Change - The company's ability to outperform competitors in terms of changing market environment by adapting, is considered as the ability to change the production function through innovation and investment in people and finance. (3) Connect - The company's ability to collect information and use it in response to requests from consumers is important in competing.

Competitiveness as a comparative measure between companies within an industry is closely related to the presence of a competitive advantage, and Michael Porter's studies have made a significant contribution to enlightening the competitive advantage (Bredrup, 1995). According to Porter (1985), competitiveness is the ability to consistently earn returns on investment that are higher than the industry average. There are several paradigms associated with how a company creates and sustains competitiveness, such as Porter's industrial organization paradigm (Porter, 1980). Debrah, Oseghale, and Adams (2018), global competitiveness necessitates the education and knowledge necessary in today's global marketplace. The evolution of the market will influence the competitiveness of SMEs. According to Collier, Barnes, Abney, and Pelletier (2018), "good" service is insufficient for many customers to have an experience worth telling others about. As a result, they require higher-quality goods. It is possible to achieve this by being competitive with the main competitors.

A small business is not merely a smaller version of a larger business. Larger and smaller firms differ in organizational structures, environmental responses, managerial styles, and, most importantly, how they compete with other firms. As a result, studies on competitiveness that focus on large corporations may not be directly applicable to the SME level (Fauzi, Liquiddanu, & Suletra, 2018). In last 10 years, there are numerous studies of competitiveness with a focus on SMEs. Several studies devoted to identifying the various competitiveness factors, such as Moen, Benum and Gjrum (2018) who emphasized that competitiveness for small firms should be defined as the interaction of the scope for action or growth in the business environment, the degree of access to capital resources, and the intrinsic ability of the firm to act as represented in entrepreneurship. Based on these premises, they added the competitiveness of SMEs can be distinguished into three; individual, organizational, and intuitive factors. This study only uses individual factor as foundation of analysis that impact on SMEs' competitiveness.

The aim of the study is to explore the enabler and inhibitors factors of the entrepreneur that may effect on the competitiveness of SMEs during pandemic. To do that this research use entrepreneurial orientation as preposition the individual level to investigate the extent of this preposition impact on SMEs' agility, later to competitiveness.

3. Methods

This study uses qualitative research methods that aim to find patterns, themes, and categories that can provide influence and meaning in the data (Foroudi *et al.*, 2017). The purpose of this study is to find factors that are supporting and inhibiting SMEs to be agile during uncertainty condition, so they will stay competitive. The researcher needed to interact with key actors within entrepreneur to determine with greater precision how they think regarding the enabler and inhibitors factors of competitiveness, in practice, conduct their orientation. According to Creswell and Poth (2017), a qualitative methodology involves getting "inside" the subject being studied, adopting the role of the learner, and drawing out themes and interpretations. Since this study considered getting "inside" of the work of the

entrepreneur through researcher's intent to observe and investigate the factors of entrepreneurial orientation that influence agility and competitiveness in SMEs, the qualitative methodology is the appropriate means of doing of this study. By doing this, might be expected that this study will provide more valid and richer data to explore what factors that support and hinder of entrepreneur orientation to develop agility and competitiveness in SMEs.

The purpose of qualitative research is not to generalize findings, but to form a unique interpretation of events (Taylor, Bogdan, & DeVault, 2015). Thus, this study began with studies that related agility and the orientation of the entrepreneur to contribute to theory building by exploring and linking theoretical and other organizing explanatory concepts and statements. The approach used in this study enabled a more inductive process which was built from the data to broad themes and to a generalized model or theory (Padgett, 2016). With an inductive approach, the researcher was able to understand the participants' views. In addition, it is an appropriate approach for small sample studies. Using the inductive approach, the researcher made an interpretation of what was seen, heard, and understood about the board' practices.

Collecting data for this study was begun by gathering detailed information from participants with open-ended questions and observations. The primary sources of this data were interview as the researchers got limited access to business process due to pandemic. The documentation and archival records as secondary data could be reviewed repeatedly, unobtrusively, exactly (because they contain exact names, references, and details of event), and provide a broad coverage. Semi-structured interview with top management/owners of twelve SMEs was conducted in this study through online media such as online meetings, Zoom, google meet or by telephone. Average of the interviewed is 30 minutes until 1 hour. Certainly, the participants' comments do not statistically represent the views of Indonesian SME's entrepreneur, but the comments provide preliminary perspectives on their operation.

After gaining the information, presenting findings and analysis of the data to establish categories or themes of entrepreneurial orientation and organization agility were followed. This was to form a unique interpretation of events, but not to generalize the findings. However, in order to minimize the lack of rigor in constructing validity and reliability of the data, the tactic for this study was to take data from several sources, such as documentation, interviews, observation, and archival records (triangulation). In qualitative study, data analysis is a continuous process. Establishing files and coding field notes is the most important part (Yin, 2015). Data processing is done using NVivo software. NVivo is a program designed to help researchers analyze and find unstructured information, such as results from interviews, open-ended surveys, social media, and content on web sites in making measurements. Using NVivo data will be grouping, coding, describe the theme, and interpretation. After establishing files and coding field notes, this study adopted content analysis approach as analytical technique. This analysis approach used underlying themes detected in the data examined. Thematic analysis provides a framework for the qualitative data as well as a way to manage themes and data (Bryman, 2016).

4. Result

There are 12 respondents who are participate in this study. Most of their business is engaged in food processing, and food & drink product. The overall profile of the respondents can be seen in Table 1. The table shows gender, age, education, business sector, length of company, and number of employees.

Table 1. Respondent Profile

No.	Gender	Age (year)	Education	Business Sector	Length of the Company (year)	Amount of employees (people)
#1	Woman	65	Primary school	Processed Food	5	6
#2	Woman	55	Senior High school	Processed Food	3	6
#3	Man	30	Senior High school	Processed Food	4	5
#4	Woman	59	Senior High school	Processed Food	4	7
#5	Man	58	Senior High school	Processed Food	5	5
#6	Man	40	Senior High school	Food & Drink	2	5

#7	Man	27	Bachelor	Food & Drink	5	8
#8	Man	48	Bachelor	Food & Drink	3	7
#9	Man	34	Senior High school	Food & Drink	3	5
#10	Woman	52	Senior High school	Food & Drink	4	9
#11	Man	35	Senior High school	Food & Drink	6	7
#12	Woman	65	Primary school	Processed Food	5	6

Based on the thematic analysis conducted on the transcribed interviews, several domains of Enablers and Inhibitors were extracted that were clustered into 3 different categories (1) Individual Factors (2) Organizational Factors and (3) Environmental Factors. The themes were clustered based on the following domains:

Table 2 below shows domains of enabler factors that facilitate the development and growth of SMEs to compete during the pandemic.

Table 2. Domain of Enablers, Descriptions, and Selected Excerpts

Enabler Domain	Descriptions	Illustrations (Selected Excerpt)
Individual Factor		
Entrepreneurial orientation Definition: Individuals in an established firm seek entrepreneurial opportunities to innovate regardless of the level and nature of currently available resources (Covin and Lumpkin, 2011)	<ul style="list-style-type: none"> - Proactive – actively generate opportunity on current market; to established strategies to serve market and customer changed - Innovativeness – initiate new idea through strategic changes; thinking out of the box over new product - Risk taking - experiment in new online market; entering unknown situation despite lack experiences 	<ul style="list-style-type: none"> - <i>We have to see opportunities during this pandemic by using social media and E-commerce #1</i> - <i>Trying to sell online on social media #12</i> - <i>Doing product development such as packing or adding product variation #3</i> - <i>We must take risks for product development and changed packaging #4</i> - <i>We're changing packing to make consumers feel comfortable #5</i>
Organizational Factor		
Resilience	<ul style="list-style-type: none"> - Adaptive resilience 	<ul style="list-style-type: none"> - <i>We implement priority strategies such as we must prioritize developing new products, product variations, packing or doing marketing #10</i> - <i>The strategy we are doing in this pandemic period by prioritizing what can provide more benefits such as developing product #8</i>
Organization agility	<ul style="list-style-type: none"> - Responsive to customer needs through engagement - Sensing capability on rapidly changing environment 	<ul style="list-style-type: none"> - <i>We talk directly with consumers, suppliers, and competitors can be online through social media or offline #7</i> - <i>Usually we tell our consensus how things are today #5</i>

Environmental Factor		
Enabler Domain	Descriptions	Illustrations (Selected Excerpt)
Competition	<ul style="list-style-type: none"> - Price competition strategy – price based on market trends - Service strategy – good service through updated information; giving fast solution to customer complaint 	<ul style="list-style-type: none"> - <i>We sell our products cheaper than competitors or give you discounts #4</i> - <i>Sell at a cheaper price than competitor #6</i> - <i>Our customers have our WhatsApp no to complain about, and it's also used to get the information we need that we'll adjust to #12.</i> - <i>Our customers can express their opinions through our Instagram and see the latest information about us #5</i>

Table 3 Shows domains of inhibitor factors that hinder and impede the development and growth of SMEs to compete during the pandemic:

Table 3. Domain of Inhibitors, Descriptions, and Selected Excerpts

Domains of Inhibitors	Descriptions	Illustration (selected excerpt)
Individual Factor		
Lack of knowledge in online business	<ul style="list-style-type: none"> - Limited knowledge and training program in online business 	<ul style="list-style-type: none"> - <i>Inexperienced, new, and educational backgrounds that not suitable with online business #3</i> - <i>We consider that selling on social media is dangerous #1</i> - <i>Many events that show if online sales are dangerous such as goods that have reached the hands of consumers have been damaged first #5</i>
Individual Factor		
Leader slow response	<ul style="list-style-type: none"> - Slow in responding to challenges 	<ul style="list-style-type: none"> - <i>I thought the pandemic wouldn't last long. No need to change strategy #10</i> - <i>I didn't know if the pandemic was going to be long, in my mind it might only be a few weeks #4</i>
Organizational Factor		
Lack of emergency planning	<ul style="list-style-type: none"> - No strategic and financial planning regarding emergency 	<ul style="list-style-type: none"> - <i>Do not have an emergency plan for the current conditions, because they do not expect a pandemic #5</i> - <i>We still in shock, and do not prepared anything with such condition #8</i>
Limited support from government and other institutions	<ul style="list-style-type: none"> - Limited mentors and advisors to support SMEs during pandemic 	<ul style="list-style-type: none"> - <i>We are quite confused with situation, and no assistance from government or any other institutions#2</i>

		<ul style="list-style-type: none"> - <i>We suffer mental breakdown, and no one give their hands for help#8</i> - <i>This is new situation for us, and we desperately need guide and motivation#7</i>
Environmental Factor		
Domains of Inhibitors	Descriptions	Illustration (selected excerpt)
Hostile environment	Rapid change in technology make it difficult for small companies to catch-up with the technology	<ul style="list-style-type: none"> - <i>Technology on industry 4.0 need a lot of money to adopt#12</i> - <i>We understand there are sophisticated technology that we must adjust, but what we can do, we just small companies#11</i>

Table 2 and table 3 has provided important insights into the factors that can help and hinder the development and growth of SMEs during pandemic time. Notably, the findings highlight the importance of systemic integration among actors within entrepreneurial ecosystems, which include a) having entrepreneurial skills and competencies, b) improving organizational capabilities and competitiveness, c) obtaining support and assistance from relevant agencies and networks. The identification of issues and challenges within this SMEs ecosystem is hoped to serve as a foundation for better formulation of policies and strategies to spur the development and success of Indonesia SMEs' agenda.

5. Discussion

5.1 Enabler Factors

The present result show that the enabler of individual factors are proactive, innovativeness and risk taking. Figure 1 summarize the “enablers” derived from the interviews conducted. Proactive where SMEs are required to think ahead in facing the challenges, they face by looking for opportunities that can be exploited in order to survive in unfavorable condition. One of the opportunities used by SMEs in facing the pandemic period such as social media and e-commerce or you name it online media. The use of online media has become important for SMEs even before the pandemic. The purpose of using online media at that time was to gain new market share, this also applies equally in the current pandemic situation by selling products or services through online media can provide consumer comfort during the pandemic. because consumers no longer need to bother going out of the house besides that consumers will be happier in shopping online because they get discounts from shopping, especially on e-commerce media.

Innovative SMEs think innovatively in dealing with existing challenges by developing products, adding product variations, or developing new packaging to be able to adapt to health standards that have been applied. This innovation is carried out to be able to adapt to market demand and consumer needs in the current pandemic situation, of course, the application of packing according to standards is a consumer need during the current pandemic. This research is in accordance with research conducted by (Arzubiaga *et al.*, 2018; Mthanti and Ojah, 2017) where it is said that innovation has a good impact on companies, especially in improving company performance, in addition to innovation itself aims for companies to experiment with their products and services. in improving their company performance.

Risk taking is willing to take risks to develop products and change packaging. Difficult conditions force SMEs to be able to take risky decisions for their businesses, this is done by SMEs to be able to survive during the current pandemic. Apart from changing packing, of course, SMEs have many options, such as taking risks to develop new products, it is said that the development of new products is not needed by consumers at this time, therefore SMEs prefer to develop their packaging in order to be more attractive to consumers.

Organizational factor is one of the supporting factors for the current pandemic. The adaptive resilience strategy used during this pandemic by prioritizing important things for example choosing to do product development, exploring new markets, or marketing strategies, by prioritizing things that are considered important allows SMEs to adapt to the surrounding environment. Some researchers also explain that adaptive resilience is when the leader and employee retain the capacity to be productive, creative, resourceful to their goals while facing disruptive forces, and have ability to adapt new situation, adjust its business strategy to respond with new situation (Alberti *et al.*, 2018; Supard and Hadi, 2020).

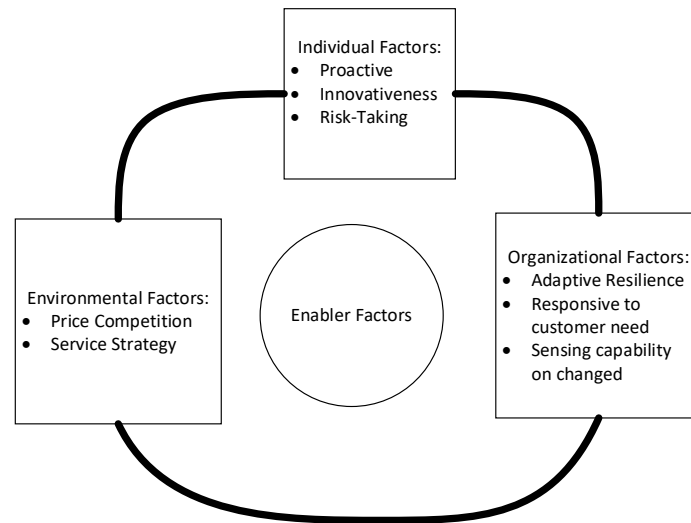


Figure 1. Summarize of Enabler Factors
(Source: Data processing result)

Sensing capability maintains relationships with stakeholders either through social media or directly, in other words SMEs respond to changes that occur externally and respond to them by reconfiguring resources, information, and strategies to face challenges. Technological capability, in facing challenges during this pandemic. Sensing capability in the study is explained as the company's ability to interpret the information obtained and take action based on that information (Liu and Yang, 2020). In this study, SMEs act based on information obtained from their consumers, by getting information from consumers, SMEs can see their needs, especially during the current pandemic, the information obtained is used as a reference in making new strategies. SMEs use technological capability to solve existing problems by providing safer packaging and complying with health protocols, of course, the costs incurred are not in vain because they are used for product development. Research (Bianchi *et al.*, 2017; Salisu and Bakar, 2019) shows that technology is important in improving company performance in addition to providing new markets and developing new products. In this study, SMEs use technology to develop product variations or develop new strategies.

Competition is a factor which aims to outperform its competitors. Price competition During this pandemic, many SMEs sell their products at low prices to attract consumers to shop with them. Price is important in making purchasing decisions, of course, in determining prices, it is influenced by many factors, of course consumers will look for affordable products or services, especially during a pandemic like now consumer consumers will certainly look for products that are easy to get so consumers want to buy products or services offered of course, SMEs provide more competitive prices than their competitors (Al Badi, 2018), this is proven to be true because based on the results of interviews, SMEs say that they provide cheaper prices compared to their competitors to be able to attract consumers' interest in buying products or services offered by sellers. Service strategy may include handling customer complaint rapidly and responsibility may be selling point to stay competitive.

5.2 Inhibitor factor

This section discusses what factors are barriers to competing in the current pandemic. It can be seen in Figure 2, lack of knowledge and leader's slow response are obstacles for entrepreneurs to be able to compete in today's difficult circumstances. Lack of knowledge because of lack of information regarding technology changing and online business been threat for entrepreneur. Slow response to change during pandemics had caused SMEs suffer more losses. It seems that entrepreneur view pandemic and industry 4.0 as a threaten instate business opportunity. For example, entrepreneur view e-commerce has negative impact on their business in state of giving opportunity to expand their market.

Further lack of emergency planning had also put SMEs in more difficult situation. No financial saving has put many SMEs to closed. This may also hinder SMEs to respond to challenged and innovative. This study also found that

limited support from government and other institutions also become inhibitors factors for SMEs to stay competitive during pandemic. If there are support from government, many prerequisites and the complexity of registration make business actors reluctant to register themselves for government assistance programs. Lack of training offer from other institutions may adding the problems of human skill to operate technology and following online business. While the changing demand from customers are not slower neither stopped waiting for SMEs to develop.

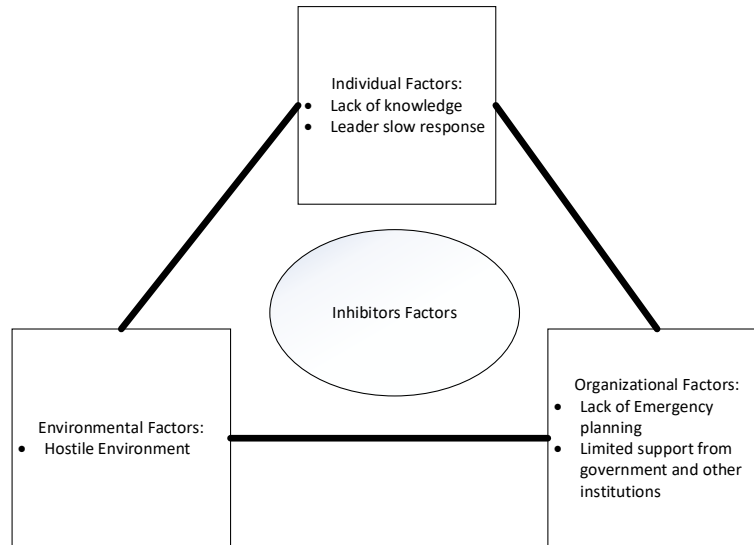


Figure 2. Summarize Inhibitor Factors
(Source: Data processing result)

6. Conclusion

This study has identified various areas that act as enabler and potentially inhibitor to the agility and competitiveness of SMEs. As previously discussed, the enabler factors found in this study are important elements that could drive the potential of SMEs to become agile in doing business and achieve competitiveness. While inhibitors factors that find in this study may give input for stakeholders how SMEs dealing with day-to-day challenges during pandemic to stay competitive. This study also found interaction of individual, organizational, and environmental factors are important to ensure SMEs achieved its competitiveness.

The theoretical contribution in this study is to literature entrepreneurship by identifying enabler and inhibitors factors over SMEs' agility to stay competitive during pandemic time. The result of the study shows that entrepreneurial orientation (individual factor) play important role in competitive concept, particularly among SMEs during pandemic, as well as to provide strategic agility support. However, the individual factor must be supported by adaptive resilience so that the SMEs will survive and even take opportunity in disruptive conditions. Additionally, in practice this research can help to provide some guidelines, suggestions, and recommendations for SME owners, heads of departments, and managers to oversee the overall view and make well-informed decisions. Elements such as entrepreneurial orientation (EO) and organization agility are used to create competitiveness insights among entrepreneurs.

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