

Digipreneurship Concept for Enhancing SMEs Performance on Post Pandemic Covid-19

Alisa Tri Nawarini¹, Intan Shaferi²

¹Universitas Jendral Soedirman, alisa.nawarini@unsoed.ac.id, Indonesia

²Universitas Jendral Soedirman, ishaferi@yahoo.com, Indonesia

*Alisa Tri Nawarin

ABSTRACT

Pandemic situation has embracing all sector , including economics. Small Medium Entreprises (SMEs) has bear the most damaging affect of those pandemic. To attain those effect SMES need to revitalize their bussiness strategy. One of strategy they used is to digitilize their marketing activities. This paper will examine the importance of digipreneurship concept application on SMES bussiness strategy as the way to cope the situation. Application of digipreneurship concept in SMES operational activities has proved successfully can enhancing SMES performance.

Keywords : digitalization; digipreneurship; performance.

1. Introduction

Pandemic Covid 19 has strike the world for almost two years on. Covid-19 is not only a public health pandemic but also involves an economic crisis .This longing pandemic has cause damage to all life sector in Indonesia, especially for economic sector. Economic system in Indonesia are dominated by Small Medium Entreprises (SMES). According news release from Coordinating Ministry For Economic Affairs, SMES has accounted for 64,13 million or 99,92% from all bussiness sector in Indonesia (www.ekon.go.id, 28 April 2021). SMES played a vital role in maintaining economic stability, but due to shortage of resources, SMES are much more vulnerable than enterprises in facing the crisis (Baron et al, 2012 ; Mayr et al, 2016). During the pandemic majoity of SMES has felt negative impact (82,9 %) and only 5,9 % has positive growth.

Entrepreneurs, employees and managers of companies and policy decision-makers must identify actions to help SMEs to react and to quickly implement the necessary measures. However, many enterprises have difficulties in this context. Such problems are more serious among SMEs than for many other enterprises due to less demand for goods and services during the COVID-19 pandemic. SMEs have limited resources, limited abilities to counter risks, and problems covering costs due to reduced business activities. SMEs are facing difficulties involving a lack of funds and liquidity, finding employees and customers, and particularly using digital technology to increase efficiency. Consequently, many SMEs are expected to go out of business during and after the Covid-19 pandemic .

This condition has led SMES to change their business operation. To survive in this pandemic situation, SMES need to innovate their business process to defending their market. This is also triggered by the change of consumer behavior and business competition map that need to attain because of public activity restriction. Right now, consumer are relying on digital technology as the instrument to help them fulfilled their need while staying at home.

Digitalization has known for years as the concept that used to explain technology employment in business activities. Digitalization is the exploitation of digital opportunities, while digital transformation is defined as the process that is used to restructure economies, institutions, and society at the system level (Rachinger, Rauter, Müller, Vorraber, & Schirgi, 2018). This digitalization has proven can help SMES coping with pandemic effect. According to research by Deloitte Access Economics in May 2021, there are 55% of SMES in Indonesia has used internet to promoting their product. Digitalization of SMES has opened new business opportunity, widening access to market and increasing their brand image. Research result release by katadata.com in June 2021 has stated that 80,6% of SMES has success through crisis caused by pandemic by employing digital technology in their business operation.

Digitalisation phenomenon cause many implications for business actor. Digital entrepreneurship is arose through technological assets like internet and information and technological information (Le Dinh et al., 2018). *Digital entrepreneurship* is a subcategory of entrepreneurship in which some or all of what would be physical in a traditional organisation has been digitised. These digital entrepreneurship perspectives can use extensively by SMES in their operation to maintain their sustainability. This paper will try to examine the concept of digital entrepreneurship and how it can employed by SMES in their business activity.

2. Digitalization

According to Sebastian et al (2017), digitalization refers to the process of organizational transformation through the adoption of digital technologies. Digitalization has manifested in organization as digital platforms, digital artifacts, and digital infrastructure (Briel et al, 2018; Giones and Brem, 2017; Nambisan 2017; Nambisan et al. 2019; Yi et al. 2019). It also applied on digital business and management models (Srinivasan and Venkatraman 2018).

Sturgeon (2019) define digital technologies as a mix of computerized information and communication technologies. It classified on seven types, they are social, mobile, big data, cloud computing, Internet of Things (IoT), platform development, and AI-related technologies (Sebastian et al. 2017; Vial 2019).

Digitalization can help organizations to increase its dynamic capabilities: helps organizations sense environmental changes (Vial 2019; Warner and Maximilian 2018; Yoo 2010); firms can better seize opportunities in a crisis environment with the help of digital technologies. In the COVID-19 outbreak, digitalization has created plentiful new opportunities (Nambisan et al. 2019). Finally, digitalization enables firms to reconfigure their resources to respond to crises by improving firms' available resources in scope, scale, and flexibility. In other ways, digitalization help companies to gain and sustain competitive advantages by improving their organizational flexibility and resilience (Briel et al. 2018) and by enhancing their dynamic

capabilities (Sambamurthy et al. 2003; Vial 2019). Digital technologies have proven fundamentally reshaped business processes, products, and services, as well as inter-firm relationships, greatly reducing the difficulty and costs of resourceshifting (Nambisan et al. 2019). During the COVID-19 outbreak, firms with a high degree of digitalization, have been able to quickly reshape their businesses to minimize the adverse impacts or even benefit from the crisis.

Digitalization has been linked with a number of benefits for businesses. An IDC survey of more than 1,500 business leaders in the Asia Pacific region listed the following as among the top benefits their organizations reaped from their digital transformation initiatives: improved profit margins, productivity, and customer loyalty and retention, along with cost reductions, ability to offer new products and services, and increased revenue.²⁹ A Deloitte survey of Australian firms found that, compared to small businesses with only a basic level of digital engagement, those with an advanced level of digital engagement “achieved 28 percent more revenue growth in the past 12 months” and 6. percent more revenue earned per employee. Another study by the Singapore Ministry of Trade and Industry found that SMEs’ adoption of digital technology was associated with statistically significant increases in their value-added and productivity of 25 per cent and 16 percent, respectively. A study by the Asia Pacific MSME Trade Coalition found that “digital tools could lower export costs of an average MSME by potentially as much as 82 percent, while time savings can amount to as much as 29 percent (static.squarespace.com, 20 August 2020). Another study by Guo et al (2020) shows that digitalization has proven helped SMEs respond effectively to public crisis by adopting digital technology in their bussiness operation

3. Digipreneurship

Davidson and Vaast, 2010:8) define digital entrepreneurship as the practice of pursuing “new venture opportunities presented by new media and internet technologies. It is similar to traditional entrepreneurship in the sense that “digital ventures aim at generating a financial profit and are directly inscribed into the economic realm, such as creation of a new company or commercialization of an innovation. This is coordance with the definition proposed by Hull et al (2007,p.239) which say that digital entrepreneurship is a subcategory of entrepreneurship in which some of all or all of the entrepreneurial venture takes place digitally instead of traditional format. So we can say that digital entrepreneurship actually is a part of entrepreneurship , but in digital perspective. Another definition from Hair (2012) and Le Dinh et al (2018) said that digital entrepreneurship is a new way to creating and doing bussiness, taking place of traditional bussiness format.

Digital entrepreneurship exists based on the of two disciplines: management (particularly entrepreneurship) and information systems. According to European Commission (2013), there are five ‘pillars’ in its conceptual model of digital entrepreneurship, each of which is relevant in the analysis of digital entrepreneurship, they are digital knowledge base and ICT market, digital bussiness environment, access to finance, digital skills and e leadership and entrepreneurial culture

Digital entrepreneurship implies entrepreneurship involving digital goods or services, digital distribution, a digital workplace, a digital marketplace, or some combination of these. It ranging from how the company employing it digital infrastructure to all their bussiness activity Hull (2007) make categorization of digital entrepreneurship as follows :

Table 1. Category of Digital Entrepreneurship

Activity	Category of Digital Entrepreneurship		
	Mild	Moderate	Extreme
Marketing	Website as supplement	Digital marketing is primary mode	Digital marketing is only mode
Sales	Product may be available for sale digitally	Product can be purchased digitally, possibly exclusively	Product is only available for sale digitally
Product (good or service)	Product is non digital	Product may or may not be digital	Product is digital
Distribution	Product is delivered by physical means	Product may be delivered physically or digitally	Product is delivered digitally
Stakeholder Management	Traditional interactions, may include e- mail	Significant levels of digital interactions; traditional interactions also common	Digital interactions are primary; traditional interactions seldom or never occur
Operations	Primarily physical location, traditional interaction, may include some virtual team interaction	Primarily physical location(s), traditional interactions, probably includes some virtual team interaction	Strong virtual presence, physical location and traditional interactions possible but not required

Source : Categorization of Digipreneurship (Hull,2007)

According to Hull (2007) digital entrepreneurship can be divided into three types. First, *mild digital entrepreneurship*, involves venturing into the digital economy as a supplement to more traditional venues. Second, *moderate digital entrepreneurship*, requires a significant focus on digital products, digital delivery, or other digital components of the business. Moderate digital entrepreneurship could not exist without the digital infrastructure. Third, *extreme digital entrepreneurship*, means the entire venture is digital, including production, the goods or services themselves, advertising, distribution, and the customers.

Selling digital products and services, transforming existing digital goods, possibly even conducting transactions in digital currency – these are the companies on the digital edge. And for these ventures, entrepreneurship is a very different proposition from that faced by their more traditional counterparts.

4. Characteristics of Digipreneurship

Key characteristics of digipreneurship is the greater ability to process and transfer information instantly and freely and the digitization of processes and activities (Brynjolfsson and Kahin, 2002; Negroponte, 1995; Tapscott, 1996). While Esmaeeli (2011) in his study mentions that these characteristics can be divided in two blocs: the structural factors and the content factors. The structural factors are composed by governmental factors (is it helping the entrepreneur to start its company or not), and by the level of electronic readiness (use of information technology, and infrastructure). As far as the content factors are concerned, the author introduces the widespread of knowledge (quality) and the culture of the digital entrepreneurship.

Hafwzieh et al (2011), proposed a typology of the characteristics of digital entrepreneurs. Their typology advances six main characteristics. The first is the age and experience of the entrepreneur (as pointed earlier by Blais and Toulouse, 1992 or Kisfalvi, 2002). The second and third are the

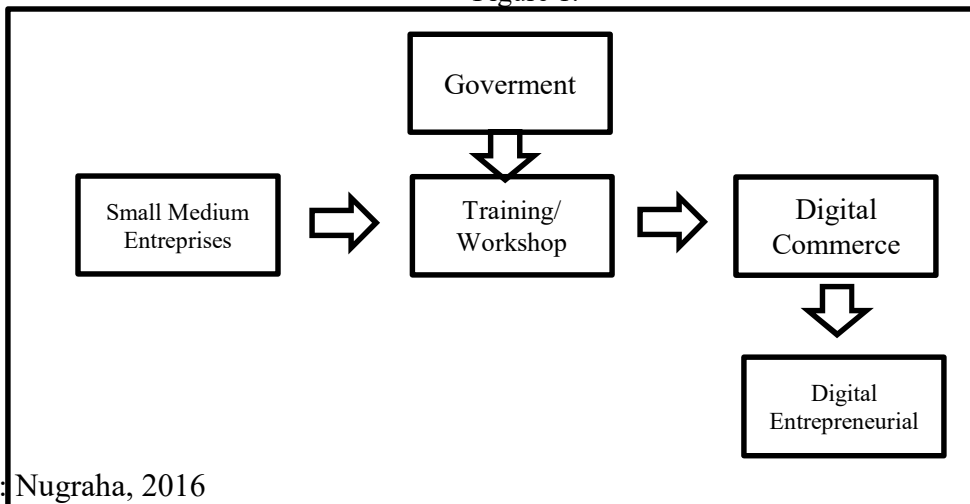
personal characteristics of the entrepreneur (such as enthusiasm), the previous experiences, and most importantly, previous experiences in digital. As fourth, authors suggest education (Colombo and Delmastro, 2001). And finally the last two criteria that had to be considered are the motivation (Colombo and Delmastro, 2001) and the perception of the market needs (Carrier et al., 2004)

Motivation of the digital entrepreneur has been investigated by Taleghani et al. (2012), who looked at the personality characteristics of Iranian Internet entrepreneurs. They contest that there are eight characteristics common amongst the studied entrepreneurs: external control, intending to risk, need to succeed and improve, pragmatic, tolerant, intellectual health, having dreams, and seeking challenges. Personality of entrepreneurs was first investigated in the 1960s with Collins and Moore (1964). According to Serarols-Tarrés et al. (2006) there are thirteen traits that are important for a successful digital entrepreneur: leadership capacity; ability to delegate and form a good team; ability to work in team (networking); ability to assume risks and take decisions; ambition of economic and professional independence; be confident about the business; be the right age (not too young) and have entrepreneurial parents; have right creative and marketing skills; bility to select right colleagues (team of entrepreneurs is better than one); be highly tolerant of ambiguity and persistent; be dynamic and enthusiastic; have experience and knowledge about the industry, products and market; be trained in starting up firms. Digital entrepreneurship seems to associate characteristics of traditional entrepreneurship with specificities of the digital sphere, with a better sensibility to risk, creativity or agility.

5. Digipreneurship for SME in Indonesia

Digipreneurship is a new way to understanding the paradigm of entrepreneurship. This understanding is really important to attain uncertainty caused by pandemic COVID 19, especially when it accelerated with digital transformation. This will make sure that SMES can survived through this pandemic. Even if the implementation of digital technologies that support business activities was not planned and decided involuntary, it leads gains in terms of competitiveness and resilience (Akpan,2020). To adapt digipreneurship concept in SMES, there's need integration between government, private facilitators and educational sector. Nugraha (2016) has proposed a framework about this integration as follows :

Figure 1.



Source : Nugraha, 2016

Government can play a vital role in creating digital entrepreneurial. First, they can invest in technology infrastructure development and by providing some training . workshop for SMES. This is proved in India , where government policy intervention increased the number of internet-enabled SMEs in India due to increased penetration and adoption of ICTs and the internet (Javalgi et al., 2012) . the training given that specialized training can help entrepreneurs to develop EDCs needed to respond to local contextual challenges.

Educational institution can help SMES preparing themselves facing this digital transformation. Digitalpreneur education can emphasize on business aspect such as increasing SMES financial skill to use digital banking application, and knowing digital promotional strategies. They should know that promotion does not only rely on physical promotion in the real world, but also the use of digital media for more efficient and effective. Nowadays, they should be equipped how to use digital media for joining modern tight business competition

Other aspect need to trained is law skill on digital trading. It is almost similar to business law in the real world. Finally, business communication and foreign languages are crucially needed to join digital or online business.. The framework proposed by Nugraha (2016) can be used to provide an overview of problems faced by technology staff in education. It can also be modified by SMEs as a guidance and an approach to give digital education. Some important things that should be noticed are culture and organization aspects which are determined by where the SMEs located.

While organization here means how SMEs can adapt their organization structure due to the influence of digital technology. Overall the parties that should facilitate SMEs are government, or educational institution and private institutions as facilitators. Further, those three parties need to have working integration to achieve the educational successfully. The education should be guided and facilitated by government and experts of online trading continuously from the beginning until they can manage their own trading.

6. Conclusion

To survive from this pandemic, SMES need to align their strategy with recent situation. Digitalpreneurship can be alternative and perhaps the best solution to implement by SMES . implementation of digitalpreneurship need collaboration from stakeholders, which are SMES, government and even education institution. But, even though SMEs have support from government SMES should have their own efforts to compete in global market. Education and knowledge obtained by facilitators will be beneficial if the model of educational framework given by facilitators is in line with the needs in the current era that is digital trade era

References

- Akpan, I.J.; Soopramanien, D.; Kwak, D.-H. (2020). Cutting-edge technologies for small business and innovation in the era of COVID-19 global health pandemic. *Journal Small Business And Entrepreneurship* 2020, 1–11.
- Barron, A., Hulten, P., & Hudson, S. (2012). The financial crisis and the gathering of political intelligence: A cross-country comparison of SMEs in France, Sweden and the UK. *International Small Business Journal*, 30(4), 345–366

- Davidson, E. and Vaast, E. (2010), “Digital entrepreneurship and its sociomaterial enactment”, paper presented at 43rd Hawaii International Conference on System Sciences, University of Hawaii at Manoa, Hawaii, 5-8 January
- European Commission (2015). European Commission (EC), Digital Transformation of European Industry and Enterprises; A report of the Strategic Policy Forum on Digital Entrepreneurship, available from:
<http://ec.europa.eu/DocsRoom/documents/9462/attachments/1/translations/en/renditions/native>
- European Commission (2013). European Commission (EC), Digital Entrepreneurship study; Project Description, 2013, available from: https://ec.europa.eu/growth/tools_databases/dem/monitor/project-description
- Hair, N., Wetsch, L.R., Hull, C.E., Perotti, V. and Hung, Y.-T.C. (2012), “Market orientation in digital entrepreneurship: advantages and challenges in a web 2.0 networked world”, *International Journal of Innovation and Technology Management*, Vol. 9 No. 9, available at: <https://doi.org/10.1142/S0219877012500459>
- Hsieh, Y.-J. and Wu, Y. (2018), “Entrepreneurship through the platform strategythe digital era: insights and research opportunities”, *Computers in Human Behavior*, pp. 1-9.
- Hull, C.E., Hung, Y.-T.C., Hair, N., Perotti, V. and DeMartino, R. (2007), “Taking advantage of digital opportunities: a typology of digital entrepreneurship”, *International Journal of Networking and Virtual Organizations*, Vol. 4 No. 3, pp. 290-303.
- Le Dinh, T., Vu, M.C. and Ayayi, A. (2018), “Towards a living lab for promoting the digital entrepreneurship process”, *International Journal of Entrepreneurship*, Vol. 22 No. 1, pp. 1-17.
- O’Regan, N., Ghobadian, A., & Gallear, D. (2006). In search of the drivers of high growth in manufacturing SMEs. *Technovation*, 26(1), 30–41
- Palmer, C., Kraus, S., Oner, H., Kailer, N. and Huber, L. (2018), “Entrepreneurial burnout: a systematic review and research map”, *International Journal of Entrepreneurship and Small Business*.
- Mayr, S., Mitter, C., & Aichmayr, A. (2016). Corporate crisis and sustainable reorganization: Evidence from bankrupt Austrian SMEs. *Journal of Small Business Management*, 55(1), 108–127.
- Nugraha Aryan Eka Prasetya (2016). Digipreneur education as the solution for SMES Competition in Digital Era. *Dinamika Pendidikan*, 11(2). 143-148
- Winarsih, Indriastuti M, Fuad K. (2020). Impact of Covid-19 on Digital Transformation and Sustainability in Small and Medium Enterprises (SMEs): A Conceptual Framework.. *Advances in Intelligent Systems and Computing*. Springer, Cham. 2021;1194.
- <https://www.ekon.go.id/publikasi/detail/2939/> [Dukungan Pemerintah Bagi UMKM Agar Pulih di Masa Pandemi - Kementerian Koordinator Bidang Perekonomian Republik Indonesia](#), 28 April 2021
- <https://static1.squarespace.com/static/5393d501e4b0643446abd228/t/5a83876b71c10b85cc1bd35d/1518569362142/MSME+Report-APAC.PDF>

Millennial's Job Choice: An Empirical Study on Employer Branding

Disa Obi Sobriyah^{1*}, Siti Zulaikha Wulandari², Retno Kurniasih³

^{1*} Universitas Jenderal Soediman, disaobriyah@gmail.com, Indonesia

² Universitas Jenderal Soediman, zulaikhaw@hotmail.com, Indonesia

³ Universitas Jenderal Soediman, retno.kurniasih@unsoed.ac.id, Indonesia

* zulaikhaw@hotmail.com

ABSTRACT

The purpose of this research is to analyze the role of Employer Branding on millennial's intention to apply for a job. Employer Branding consist of work environment, compensation and benefits, corporate reputation, corporate vision and leadership, and corporate social and environmental. Research population is the final-year college students. Purposive sampling technique was applied with two specific sample's criterias that are have a desire to apply for a job and born between year 1995-2000. The hypothesis testing method used descriptive analysis techniques and moderation regression analysis with SPSS program. The results showed that Work Environment, Compensation and Benefits, Corporate Reputation, Corporate Social and Environmental Responsibility, had a positive and significant effect on millennial talent's intention to apply for a job. Meanwhile, corporate vision and leadership had no effect.

Keywords: Employer Branding, Intention to Apply for a Job

1. Introduction

This study looked at the factors that would attract employees towards an 'Employer of Choice'. As the baby boomer generation begins to retire, the arrival of a new workforce within the organization has brought challenges for employers. This factor leads to competition from both job applicants and job providers. Intense competition requires qualified human resources. From here, the company is again faced with competition for rare talent. Millennials are entering the job applicant force, companies need to understand beforehand the unique characteristics of millennials and make improvements, using Employer Branding (EB) as an instrument of organizational competitiveness to get quality workforce which is currently dominated by Millennials.

Attracting potential candidates is a significant issue in the recruitment process (Reis & Braga, 2015). Companies face the scarce skills in the labor market often in competing, meeting the needs of the workforce in the near future requires organizations to immediately improve themselves and use Employer Branding (EB) as an instrument in organization competitiveness. Employer branding is the representation of an organization to the external potential employees as well as how the organization will appear to the current existing employees (Mohamed, 2016). Companies find this rather hard to attract a talented pool of people to work and makes Employer Branding