



Competency Development Strategy For MSME Actors In The Use Of Icts In Rural And Urban Areas In An Effort To Support Business Sustainability (Case Study Of Msmes In The Regency And City Of Bandung)

Vera Agustina Yanti¹, Devy Sofyanty², Danny Ong³

^{1,2,3}Universitas Bina Sarana Informatika, Jakarta

vera.vay@bsi.ac.id¹, devy.dyy@bsi.ac.id, danny.dnx@bsi.ac.id³

Abstract : *This research aims (1) to analyze business competency level in rural areas and utilizing ICT facilities in Bandung, (2) to analyze MSME business competency level using ICT in rural and urban areas, and (3) to formulate appropriate strategies in developing business competition applications in business use ICTs to support business sustainability. This research was carried out in stages. Location selection is done deliberately. This research was conducted in Bandung Regency, and Bandung City from December 2018 to May 2019. The sampling technique used non proportioned stratified random sampling. The sample of respondents was 313 based on the total population selection of 3033. The data analysis method in this research used Slovin's formula, then the total sample was 323 business donors. This research used descriptive quantitative approach, inferential analysis with the Kruscall Wallis test, and the Dunn test. Based on the results of individual or part of the business competent in using ICT tools show that The SMEs of Bandung Regency are lower than the City of Bandung. The results of the overall differences of the variables that brought together MSMEs in the urban and rural areas of Bandung showed a difference. Competency development strategies that began with the first time, namely (1) Strengthening pilot business efforts using ICT facilities in the second stage (2) increasing ICT support facilities, efforts must be made through empowerment support programs, increasing motivation to increase community participation, improving training models to use ICTs that are tailored to business needs, enhance business partnerships with higher education institutions.*

Keywords : *Organizational Culture, Work Environment, Employee Performance*

I. INTRODUCTION

The growth of MSMEs in the country is growing rapidly along with technological developments, ease of facilities and economic policies that support the progress of MSMEs in the country. In relation to this research by Kemenkop data (2017) shows that Indonesia currently has MSMEs with 62,922,617 units. SMEs with a variety of creative products in various fields of the business sector, supported by Indonesia's position as a major trade center in the Southeast Asian region. For this reason, various Government efforts have been made to improve the ability of MSMEs to improve competitiveness in the global business arena (Sukarno, Wifasari, & Setyawan, 2019).

With the rapid development of global business and competitive opportunities that provide significant opportunities for MSMEs in the country with a large population in the country, for that the importance of increasing competence in terms of technology and sustainable innovation by producing superior products that are creative and have the power sustainable competitiveness (Goso & Bachri, 2015).

The results of Tambunan's research (2010) show that in the global level, MSMEs still have low competitiveness based on the MSME performance score index below four. Some MSME products cannot penetrate the free market. MSME products have not been able to compete with imported products. Some of the obstacles that trigger the weakness of MSME products are the quality of goods that are not yet competitive and technological limitations and lack sustainable competitiveness. MSMEs must be able to respond quickly, maximize the use of ICTs with environmentally friendly technology innovations and focus on long-term interests. To maximize the use of ICT required the ability to use ICT for MSME business activities (Djaja & Arief, 2015).

The another research was done by Servaes (2012) describe the role of ICTs, especially the internet, used to bridge information and knowledge that is spread between those who control information and those who do not, access to digital communication. It is marketing, and opportunities allow increasing access to trade opportunities, and employment opportunities.

On the other hand, one of the provinces in the country is West Java Province based on demographic data showing the number of MSMEs, especially the Regency and the City of Bandung, showing 12,283 units



and 10,701 City units. Both regions are major MSME centers that are engaged in fashion, food processing, and crafts. The two regions have different characteristics in terms of geographical aspects of districts and cities that have different geographical characteristics. It support by the results of Kemenkoinfo research (2012) showing the lifestyle behaviors of rural and urban communities in utilizing the internet have different behaviors. According to the results of Salleh (2012) study, there are still large digital divisions in the two regions. Asia Foundation research results reveal that only 18 percent of the number of MSMEs that utilize ICTs from all business operators in West Java. Hasbiasyah (2015) states that SMEs do not have adequate skills in using the internet.

For this reason, the appropriate strategies are needed to improve the ability of MSMEs to use ICTs for the Medium-Term and Short-Term Strategies (Wolf, 2001). Other than that there are several things that need to be considered, namely (1) the level of competency in the use of ICT intensity, (2) perceptions of business actors carrying capacity of external environments, and (3) profiles of MSME actors. These conditions that encourage further research, because the use in MSMEs is related to the Competency Development Strategy of MSME Players who utilize ICT in detail the research problem can be formulated as follows: (1) to analyze the level of competence of business actors in utilizing Information and Communication Technology facilities, (2) to analyze the competence differences of MSME entrepreneurs using ICT in rural and urban areas, (3) to formulate the right strategy in the approach of developing business competencies in the use of ICT business to support business sustainability.

II. RESEARCH METHOD

This research was conducted in the Regency and City of Bandung, West Java Province. This area was chosen purposively because it is the largest MSME center in West Java. This research was designed as an explanatory research to explain the state of an event in describing the event (Sekaran, 2006). This research is equipped with qualitative data methods for Determining Strata Random Sampling Samples. The population in this study was all members of MSMEs in rural and urban areas with a total sample of 313 regencies and cities of 10 Bandung. The research design used descriptive test, survey methods. The scale of competency level measurement and the level of business sustainability using the Kruscall Wallis test to measure the level of competence of MSME actors in the use of ICT, and To test the different competency tests of MSME actors in the use of ICT MSMEs in rural and urban areas, then use the test dunn and use the Input Process Output analysis to formulate an appropriate approach strategy.

III. RESULT AND DISCUSSION

Characteristics of MSME Performers

Descriptive test results in terms of the characteristics of MSMEs in the Bandung Regency region in terms of age in terms of the number of productive adult MSMEs in Bandung Regency by 74%, while MSMEs in Bandung City amounted to 40%. In terms of formal education the number of urban MSMEs more people who studied further 90 % compared to SMEs in rural areas amounting to 60 percent. The number of ownership of ICT tools, ownership of ICT facilities for MSME actors and duration of ownership of ICT facilities is higher. Motivation rates for the use of ICT MSME perpetrators are higher by 60 percent compared to MSME actors in rural areas.

Intensity of ICT Utilization among SMEs

The current level of technological progress has penetrated various fields in all aspects of human life. One of them is the internet network, easy access to information and low cost makes technology facilities play a significant role in every activity. According to Adeosun (2009), the use of ICTs provides a positive value for management strategies. Brien (1990) states that the role of information systems for business interests supports business processes, supports decisions and makes strategies. This will affect MSMEs to be able to compete in the global market. The following is an illustration of the characteristics of MSME actors using ICT in terms of the percentage of the use of ICT facilities for MSME perpetrators by region from (1) aspects of ICT facility utilization, (2) software applications on mobile phones.

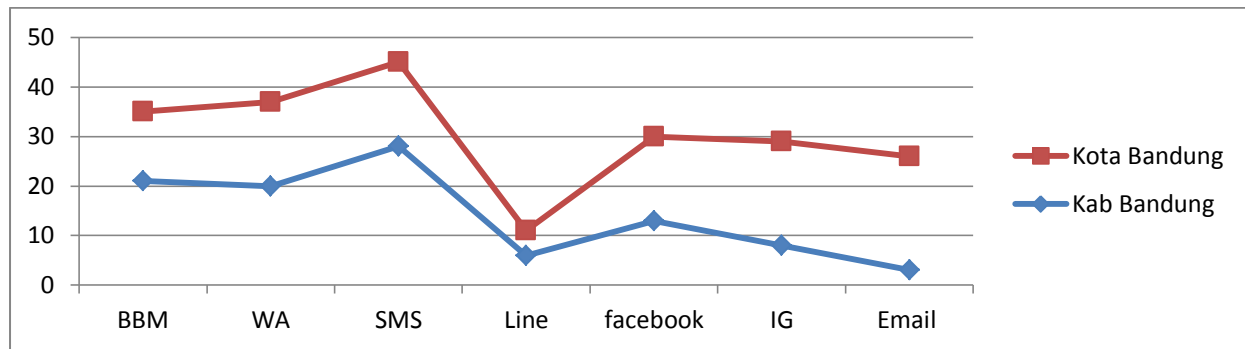


Figure 1. ICT applications

Figure 1 illustrates the use of ICT applications using SMEs shows the highest utilization of SMS applications in Bandung Regency because UMKM actors find it easier to use with a simple keypad, whereas the use of line applications in both regions has the lowest score using Facebook, IG and email, with a low category in Bandung Regency while in Bandung City is higher than Bandung Regency.

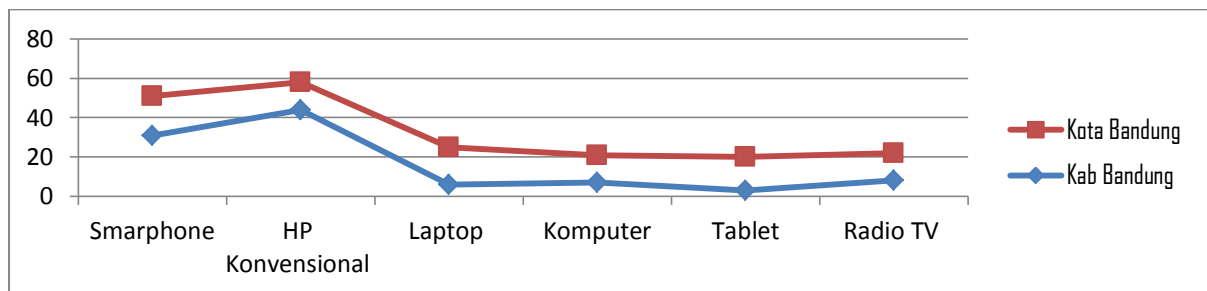


Figure 2. Technological Facilities

Figure 2 shows that the use of technological facilities is for MSMEs in urban areas. It is known that over 20 percent of MSMEs are able to manage information and access the internet in their daily operational activities using a laptop note book as well as the use of PC facilities. in terms of using conventional cellphones 44% higher. Most of the highest use of MSME perpetrators are in the city of Bandung. The Relationship between Utilization of ICT and the Competencies of MSMEs in utilizing ICT facilities, with the high and low level of frequency of ICT facilities utilization having a real relationship to the level of personal competency as well as the level of information management of ICT facilities is related to the level of technical competence, meaning that the level of information management is followed by the ability technical use of ICT facilities. According to the Human Resources Research and Development Agency Kominfo (2013) stated that the use of ICT for an individual significantly increases the performance of daily life activities.

Level of Competence of MSME Performers

Competence is all forms of motives and attitudes, behavioral and characteric skills that are essential for carrying out the work of Spencer Spencer (2016). Competencies in this study are personal and technical competencies. Based on the table shows that the level of personal ability is measured by the ability of the attitude of behavior, maintaining ethics during the service of communicative responsibilities, optimism and enthusiasm. The highest personal level of Bandung City. The level of technical competence is measured by the Krusscal Wallis Test.

Table 1. Level of Competence of MSME Performers



Sub Peubah	Category	District of Bandung		City of Bandung	
		n	%	n	%
Personal Competence	Low	0	0.0	0	0.0
	Middle	25	7.9	0	0.0
	High	291	92.1	10	100
Personal Technis	Low	117	37	0	0.0
	Middle	185	58	8	80
	High	14	44	2	20

Level of Business Sustainability

Business Sustainability is related to three aspects of life that synergize ecologically, socially, and economically. Effortless implementation of efforts should pay attention to three main elements, namely Profit, People and Planet. Based on the following table shows the level of business sustainability in terms of revenue, quality growth, competitiveness and business environment conditions. From the competitiveness and income level of Bandung City the percentage level is 90 percent. The percentage of business growth in Bandung is 100 percent higher. The quality of products in Bandung is 77 percent, in terms of the competitiveness of the city of Bandung by 80 percent. The environmental conditions of 48 percent Bandung regency. so that the business continuity of MSME entrepreneurs in urban areas is higher.

Different Test Results

Characteristics for the different competency test results of MSME performers based on the Dunn Test results indicate that Dunn's conclusions can be drawn that there are differences in Bandung Regency and Bandung City in terms of technical ability with a p value of 0.0048

Competency Development Strategy for MSME Players

Efforts to improve the ability of SMEs in the use of ICT facilities as important. Conceptually, the capacity of the MSME community for ICT use needs to be increased through the learning process. The main thing is to move MSMEs to have an awareness of the importance of using ICT optimally in every business activity. Efforts are made by raising interest and awareness of the importance of using ICT. The next effort is to choose the right learning method (1) Student center e-learning approach, (2) Cooperative learning method approach, (3) Project Based Learning Activities. On the other hand the strategy of developing the competency of MSMEs towards business sustainability can be done with the Input, Process and Output and Impact Approaches. Divided into 2 stages: (1) Development of Individual Competencies and (2) efforts to achieve the competence of business community groups in utilizing ICTs by developing competencies together will realize all sustainable groups. . Competency Development Strategy for MSMEs in ICT research is recommended in this study in two regions of Bandung Regency and Bandung City.

IV. CONCLUSION

1. Characteristics and Actors of MSMEs on average productive percentage of 26 - 45 years. The level of competence of MSMEs in the use of ICTs is categorized while most are only able to manage information. The level of competency is a medium level of business sustainability. The average level of business sustainability is in the medium category. The average SMEs in urban areas. Factors related to the increase in the use of ICT are the intensity of the use of ICT, the technical ability of using ICT as well as in terms of the characteristics of MSME actors in terms of formal education, productive age, and the level of motivation and cosmopolitan.
2. In different competency tests for MSME actors there are differences in MSMEs in rural and urban areas, this encourages the importance of capacity building programs for MSMEs in rural areas to have the same ability in utilizing ICT facilities.
3. Appropriate competency improvement strategies to support business continuity are carried out through increasing competence and strengthening the perceptions of MSMEs about the benefits of ICT and increasing effective communication and community participation, various important efforts are taken to support the empowerment program by applying training models that are tailored to the needs of the Actors MSMEs and enhancing partnership patterns with educational institutions and private institutions.

V. SUGGESTION



1. The active role of the UMKM business community group and the UMKM office to provide motivation on going basis to provide assistance and counseling so as to increase perceptions and motivations so that MSME actors increase their perceptions and motivations, so as to be able to use ICT optimally.
2. Improvement of the competency of mentors and the quality of assistance needs to be improved, especially in the use of ICT to make more intensive use of ICT facilities, both methods, materials and extension media need to be improved so that the purpose of assistance can be achieved.
3. Increasing cooperation and coordination between related sectors, namely higher education institutions, research institutions to conduct training in designing mentoring methods or learning methods that are tailored to the needs of business actors, especially related to competencies in the use of ICTs.

REFERENCES

- [1] Adesoun. (2009). Strategy Application of Information and Communication Technology For Effective in Business Industri. *Journal of Social Science* 5(1): 47-51.
- [2] Djaja, I., & Arief, M. (2015). The impact of dynamic information technology capability and strategic agility on business model innovation and firm performance on ICT firms. *Advanced Science Letters*, 21(5), 1225–1229. <https://doi.org/10.1166/asl.2015.6105>
- [3] Goso, & Bachri, S. (2015). Implementasi Pemberdayaan Usaha Ekonomi Mikro Kecil Dan Menengah (UMKM). *Jurnal Manajemen STIEM Palopo*, 02(01), 1–10.
- [4] Hasbiansyah, O., Maryani, A., Rachmawati, I., & Zulfebriges, Z. (2015). Pelatihan Pemasaran Online Di Klangan Pengusaha Kecil Menengah. *Prosiding Snapp: Sosial, Ekonomi Dan Humaniora*, 5(1), 693-698.
- [5] Kementerian Komunikasi dan Informasi. 2012. *Sisfonas 2010: Sisfonas Sebagai Tulang Punggung Aplikasi E-Government*. Jakarta: Kemenkominfo
- [6] Kementerian Komunikasi dan Informatika Republik Indonesia (Kominfo). (2013). *Pengguna Internet di Indonesia 63 Juta Orang*. Jakarta: Kementerian Komunikasi dan Informatika Republik Indonesia.
- [7] Laporan Tahunan. 2017. *Kementrian Koperasi dan UKM*. Jakarta.
- [8] Mintzberg (1998), dan Quin, J.B 1991, *The Strategy Process: Concepts: Context. Cases ED Ke-2*, Englewood Cliffs, N, J : Prentice Hall International Inc.
- [9] O'Brien, P. C (1990). Analyst following and institutional ownership. *Journal of Accounting Research*, 28, 55-76.
- [10] Salleh, M. A. M. (2012). The impact of interactivity features in enhancing online communication satisfaction. *Jurnal Komunikasi: Malaysian Journal of Communication*, 28
- [11] Sekaran, U. (2006). *Metodologi penelitian untuk bisnis*. Jakarta: Salemba Empat.
- [12] Spencer spencer (2016) , SpencerLyle M, Signe M Spencer *Competence Work: Model for Superior Performance*, O, John Willey and Sons, In
- [13] Sukarno, Wifasari, S., & Setyawan, B. (2019). Upaya Peningkatan Penerimaan Pajak Melalui Penjualan Berbasis E Commerce Pada UMKM Kota Tangerang Selatan. *Jurnal Mitra Manajemen*, 3(9), 903–917.
- [14] Tambunan (2010). *Usaha Kecil dan Menengah Di Indonesia*. Jakarta . Salemba Empat: Jakarta.
- [15] Wolf, S. (2001). Determinants and impact of ICT use for African SMEs: Implications for rural South Africa. In Center for Development Research (ZEF Bonn). *Trade and Industrial Policy Strategies (TIPS), Annual Forum at Misty Hills, Mulderdrift (10-12 sept 2001) (pp. 1-24)*.