

The Influence of HRM Practices Behavior Towards Women's SME Business Development Through Performance Employee During The Covid-19 Pandemic

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ABSTRACT: This study aims to test the model for MSME business development that is managed by women through HRM practices, employee behavior and performance. Data collection techniques were carried out through direct questionnaires and Google forms on 177 female SME actors in South Kalimantan during the Covid 19 pandemic period in 2020. The results show that HRM practices and individual behavior directly influence employee performance and business development of SME women. HRM practices and behavior also affect the development of women's SME businesses through employee performance. Implications to help women SMEs develop their business need to provide self-development training and HRM practices.

KEYWORDS: HRM practices, behavior, employee performance, business development of women's SMEs

I. INTRODUCTION

The 1919 2020 pandemic period affected all aspects including economic aspects. The weakening of the economy resulted in a decline in demand for many companies, which forced them to lay off some of their employees. It also forces the wives of laid-off workers to keep running their businesses to help the family economy.

The company's ability to develop its business becomes a measure to assess whether the company is good or not, feasible or not. Companies that are not able to develop their business are only two possibilities to stay in place or go bankrupt. Business development requires tasks and processes to develop and implement growth opportunities within and between organizations (Houterman, Blok, & Omta, 2014) Business development is the creation of long-term value for the organization from customers, markets and relationships (Pollack & Pollack, 2015)

Business organizations contain members who run businesses, whether or not the organization progresses depends on the management of members and individual members. Human resource management is one aspect of business organization policy in managing its members or employees (Arifin 2018: 18) from objective selection, development, to fair compensation after performance appraisal (Opatha, 2018). In addition to having physical employees can also be seen from internal psychological factors that enter into organizational behavior.

According to Luthans (2012: 12), organizational behavior is an understanding, prediction, and management of human behavior in organizations. The practical purpose of the study of this study is to determine how human behavior influences the achievement of organizational goals. One aspect is affection, which is a general term that encompasses a variety of feelings people experience, including emotions and moods. Where emotions according to Robbins (2013: 98) are intense feelings directed at someone or something. Moods are feelings that are less intense than emotions and often (though not always) occur without specific events that act as stimuli. The topic that is often explored in behavioral aspects is attitude, in which attitude according to Robbins (2013: 70) is an evaluative statement - both favorable and unfavorable - about objects, people, or events. Some individuals seem to be driven to succeed, but the same people who struggle have different spirits. Often raised in many studies is work motivation. Robbins (2013: 202) defines motivation as a process that takes into account the individual's intensity, direction, and persistence of efforts towards achieving goals. While motivation is generally related to efforts towards any goal, we will narrow the focus to organizational goals to reflect a special interest in work-related behavior.

Employee performance is important for an organization both as a whole and for individuals who work (Sonntag, 2001). Individual performance is the foundation for organizational performance, understanding employee behavior is important to direct management to be effective (Gibson et al., 2012).

II. CONCEPTUAL MODEL AND RESEARCH HYPOTHESES

Research Bacon & Hoque (2005) predicts the extent to which HRM practices have been adopted in SMEs. So Baqun et al suggest that MSMEs might not have the ability to develop HRM practices, need to employ highly skilled employees and have networks to other organizations. Growth-oriented MSMEs have relative market advantages and will continue to grow (Umer 2012). Human resource management in formal and informal businesses include: labor procurement, employee development, career development, work performance assessment, compensation, and occupational safety and health have an impact on both formal and informal businesses (Esay&Ardianti, 2013). The effectiveness of SMEs who practice HRM is generally higher than in previous years, however, there are relatively many SMEs who do not want to be bound by HRM practices Burke & El-Kot (2014)

The HR Management function has a large impact in implementing the strategy by developing and harmonizing HR Management practices that ensure that the company has developed employees with various skills needed so that they can carry out their duties effectively which can ultimately support the achievement of the company's strategy (Mathis & Jackson, 2011; 34). In short, after considering aspects of HR planning and integrating them with business strategies, hypotheses 1.3, and 5 are formulated as follows:

- Hypothesis 1 (H1). Human resource management practices influence the development of SME businesses
- Hypothesis 3 (H3). Human resource management practices affect the performance of SME employees
- Hypothesis5(H5). Human resource management practices influence the development of SME businesses through employee performance

Emotional intelligence in a good category makes employee performance high. Pratama&Suhaeni (2018). Employee performance is influenced by emotional intelligence, work motivation and work attitude. And emotional intelligence is the most dominant which influences employee performance. In other words, the effect of high emotional intelligence is more direct on employee performance. Subagio (2017)

Organizational effectiveness shows the accuracy of the approach, contribution in achieving organizational goals, so that organizational goals more quickly and precisely achieved. Organizational effectiveness is a collection of group effectiveness, while group effectiveness is individual effectiveness. According to (Gibson James L, John Ivancevich, Donnelly, 2012; 2) effectiveness is the context of organizational behavior is the relationship between production, quality, efficiency, flexibility, satisfaction, the nature of excellence and development. The close relationship between these behavioral aspects to organizational effectiveness, the following hypothesis 1 was formulated:

- Hypothesis 2 (H2). Behavioral aspects influence the development of SME businesses
- Hypothesis 4 (H4). Behavioral aspects affect the performance of SME employees
- Hypothesis 6 (H6). The behavioral aspect influences development

SME business through employee performance

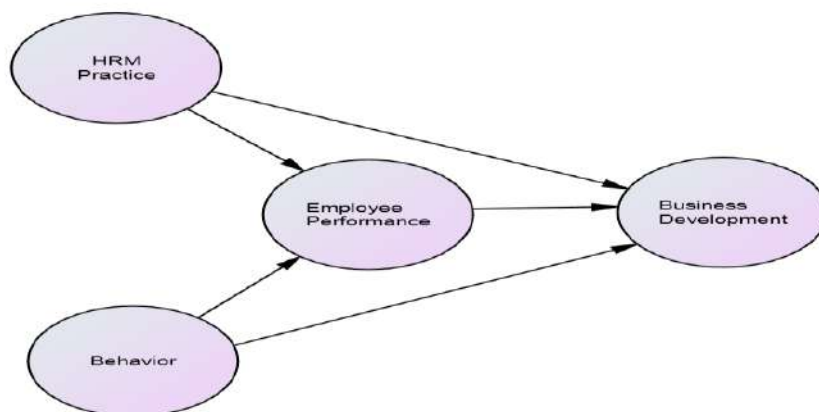


Figure 1
Conceptual Framework for Research Models

III. RESEARCH METHODS

This study is a business development study that is influenced by HRM practices and behavior both directly and indirectly (through employees' performance). The design of this research is quantitative causality research which uses survey methods that examine the relationship and influence between research variables by analyzing the number of observations. It is an explanatory research, namely research that emphasizes the causal relationship between exogenous variables and endogenous variables. This research was conducted in 3 districts in the province of South Kalimantan, that possess SMEs which are managed by women, whose husbands were laid off from work during the Covid-19 pandemic.

The sample required in SEM testing requires an amount between 100 to 200 (Sanusi, 2016: 175), so in order to fulfill the requirement, the sample amount was determined with appropriate sample size. The sampling technique uses Simple Random Sampling by giving equal opportunity to each member of the population by taking a lottery number to become a research sample that represents the company according to the number of research distributions. With a tolerance level of error of 7.5% using the Slovin formula, the number of samples in this study were 177 people.

The instrument used to measure HRM practices uses statement items developed by Opatha (2018), while to measure behavioral aspects and employee performance using the concept of Robbins and Judge (2013), to measure business development using the concepts of Arifin, Nirwanto, & Manan (2019))

IV. RESULTS AND DISCUSSIONS

Most respondents were at the age of 40 to 55 as many as 55.93%, which according to Desimone (DeSimone, 2012) at that age included the early career category of a mature career, meaning that most respondents spent many years of work and had enough careerspan in their jobs as SMEs entrepreneurs. The majority of samples with elementary school education (40.68%) shows that the majority of respondents only had basic education, but have been in business for more than 5 years (92.09%).

Table 1 Profiles of Respondents

No.	Respondent	Profil	Persentasi (100)
1.	Age	40– 55	55.93
3.	Education	SD	40.68
4.	Expeirience	5 >	92.09

Resources: Data Process by SPSSV.23

Respondents' perception can be seen in the results of descriptive analysis (frequency distribution). The variables studied consisted of: HRM practices (X1) with an average score of 3.45 indicating that not too high, behavior (X2) averaged 3.90 which showed good behavior, as well as average employee performance of 4.08, while business development an average of 3.36 shows that the development of SME businesses managed by women is still low.

**Tabel 2
Description of Answers**

No	Variable	Average score
1	HRM Practice (X1)	3.45
2	Behaviou (X2)	3.90
3	Employee Performance (Y1)	4.08
4	BuisenessDevelopment (Y2)	3.36

Resources: Data Process by SPSSV.23

Analysis of the influence between variables in the hypothesis is shown in table 3 as follows

**Tabel 3
Regression Weights**

	Estimate (Standardized Regression Weights	S.E.	C.R.	P
Performance <--- HRM	.030	.007	2.136	.033
Bussines <--- HRM	.308	.369	3.687	***

			Estimate (Standardized Regression Weights)	S.E.	C.R.	P
Performance	<---	Behaviour	.689	.012	3.922	***
Bussines	<---	Behaviour	.208	.052	2.436	.015
Bussines	<---	Performance	.357	.516	3.749	***

Resources : Data Process by AMOS

Table 3 shows that the influence of HRM practice variables on business development has a critical ratio (CR) value greater than 2, namely 3.687 standardized factor loading coefficient value of 0.308 and p-value less than 0.05 ($0.000 < 0.05$), thus HRM practices have a positive effect) on business development, which means that an increase in HRM practices will be followed by improvements in business development, thus the first hypothesis is statistically proven or accepted. HRM practices among looking for the right people according to organizational needs which are further developed will help the development of MSME businesses, this is in accordance with previous research (Umer 2012, Esay&Ardianti, 2013, Burke & El-Kot 2014)

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The effect of behavioral variables on business development has a critical ratio (CR) value greater than 2, namely 2,436 standardized factor loading coefficient values of 0.208 and p-values less than 0.05 ($0.015 < 0.05$), so that behavior has a significant positive effect towards business development, which means that an increase in behavior will be followed by an increase in business development, thus the second hypothesis is statistically proven or accepted. This is in line with the results of Pratama&Suhaeni's research (2018) and Subagio (2017). A positive attitude, stable emotions and high spirits will form a person who is patient in surviving to develop the business.

The effect of HRM practice variables on employee performance has a critical ratio (CR) value greater than 2, namely 2,136 standardized factor loading coefficient values of 0.030 and p-value values less than 0.05 ($0.033 < 0.05$), so HRM practices have an effect a significant positive effect on employee performance, which means that improvements in HRM practices will be followed by improvements in employee performance, thus the third hypothesis is statistically proven or accepted. This is in accordance with the opinion of Mathis & Jackson (2011). Employees who have been selected and developed make them able to work better than those who are not selected and develop themselves, because they develop faster.

Behavioral aspects affect the performance of MSME employees, this is indicated by the value of the critical ratio (CR) greater than 2, namely 3,922 with a standardized value of the factor loading coefficient of 0.689 and a p-value of less than 0.05 ($0.000 < 0.05$), which means that an increase in behavior will be followed by an increase in employee performance, thus the fourth hypothesis is statistically proven or accepted. This is consistent with the research of Arifin et al. (2019), the opinion of Gibson James L, Ivancevich John, Donnelly (2012; 2) and Robbins (2013; 202) employees who have high motivation will form a more productive employee performance.

HRM practices have a direct influence on business development with standardized weights of 0.308, while indirectly through employee performance ($0.030 \times 0.357 = 0.01071$), total influence of $0.308 + 0.01071 = 0.31871$, where > 0.308 , there is a semi-mediation, thus the hypothesis fifth received. HRM practices have a direct effect on the business, if coupled with better employee performance, business development will be even better. This is consistent with the results of research by Elfadeel, Akeel, Omar, & Masrom (2019) and Villajos, Tordera, & Peiró (2019).

Behavioral aspects have a direct influence on business development with standardized weights of 0.208, while indirectly through employee performance ($0.689 + 0.357 = 0.245973$), total influence = $0.208 + 0.245973 = 0.453973$, where > 0.208 , then a semi-mediation occurs. Thus, the sixth hypothesis is accepted. Behavioral aspects have a direct effect on the business, if coupled with better employee performance, business development will be even better. This is consistent with the results of research Majid & Idris (2019), Fonseca Da Costa Guterres, Armanu, & Rofiaty (2020), Nangoy, Hamsal, Setiadi, & Pradiaty (2019).

Entrepreneurship practices by women generally do not develop much, because they have a low educational background. They generally only do business in the primary needs sector by relying on experience but lack of support from learning organizations. In general, the UMKM organization relies on the family as

employees, because it is easy to get it with low wages. However, getting employees without conducting proper recruitment process is risky, since there are two possibilities that could happen, which are getting good employees or getting bad employees, depending on their backgrounds. One difference between large companies that is rapidly developing with small companies is their ability to pay their employees' wages, which has been supported by research results (Onwuka & Onwuchekwa 2018, Brown, Sturman, & Simmering 2003, Zeb et al. 2018).

Leaders who are not supported by subordinates will find it difficult to advance the organization. So far, training has only existed in the form of on job training, namely from giving superior instructions to subordinates, where one of the weaknesses of this training will depend on the ability and time of the leader. If the leader has limited expertise or ability then the expertise or ability of subordinates is also limited, if the busy leader has less time because the leader also doubles workers in the MSME business, the employee will work improvised.

The SME leadership is a picture of the SME business, the leadership role in this business is very dominant. The behavior of the leadership is a business strategy of SME, thus the running of the SME business is very much determined by the leader. The ability of a leader depends on many things including his virginity (Ayu et al., 2017, Robbins, 2013; 367) such as emotional intelligence (Stroh 2001; 5, Andreas, 2009; 17), attitude (Rose, 2015), motivation (Avolio, Gardner, Walumbwa, Luthans, & May, 2004, Tebeian, 2012).

Employee performance is a picture of employee behavior in serving the organizations that employ it. An organizational system from input to process to output places employee performance as a process that determines business results. Many studies show the influence of the role of employee performance as a mediator of organizational sustainability (Karatepe, 2013, Salanova, Agut, & Peiró, 2005).

V. CONCLUSIONS AND SUGGESTIONS

Entrepreneurship development cannot only rely on the ability of the business owner. HRM practices that have so far only been applied to large businesses can actually also be practiced in small-scale businesses to encourage them to develop. Every HRM practice and owner's behavior must be directed to help improve employee performance, because employees who have good performance will be able to help leaders to achieve goals including developing the organization.

Suggestions for further research are expected across time, comparing before the pandemic, during the pandemic, and post-pandemic, across a wider area.

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