



Fashion Business' Performance In Surabaya During The Covid-19 Pandemic

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The COVID-19 pandemic, which resulted in social and physical restrictions, has consequences for the sustainability of the fashion business. This industry is included in the top 5 priority scales for MSME development in Surabaya. Therefore, the existence of the fashion industry is very important for the economy of Surabaya. Related to this, fashion business owners in Surabaya are required to be able to maintain their business through work innovation. This study aims to analyze the direct or indirect influences of competence, the use of information technology, and self-efficacy on business performance through work innovation as a mediating variable for fashion entrepreneurs in Surabaya. This research is a quantitative cross-sectional type involving 69 fashion entrepreneurs who are supported by the Surabaya Trade Office. Data distribution was carried out using online questionnaires from November to December 2020. Hypothesis testing was carried out by the Path Analysis. The results of this study include: competence and self-efficacy are proven to have a positive influence on business performance; the use of information technology is proven to not influence business performance; work innovation cannot mediate the influence of competence on business performance; work innovation is proven to fully mediate the influence of the information technology usage on business performance; work innovation is proven to mediate some of the self-efficacy influence on business performance.

Keywords: Competence, Utilization of Information Technology, Self Efficacy, Work Innovation, Business Performance

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INTRODUCTION

In mid-March 2020, the Corona Virus Disease or the COVID-19 pandemic emerged and caused an impact on the economy in Indonesia. The Indonesian government has taken various ways to inhibit the rate of virus transmission by implementing Large-Scale Social Restrictions (PSBB), social distancing, physical distancing, and even AKB (New Habit Adaptation).

The Rapid Assessment Survey of the Impact of the COVID-19 Pandemic on the Performance of Indonesian MSMEs was conducted online by LIPI on 1 - 20 May 2020. The survey involved 679 respondents with the main livelihood as business person. It showed that during the pandemic, almost 100% of businesses experienced a decline in sales. The decline in business scale was mostly experienced by ultra-micro businesses, followed by medium-sized businesses, micro-enterprises, and finally small-scale businesses. Judging from the age of the business, the majority of the decline in sales was experienced by the 0-5 year - old business, the length of the business that has been running for more than 10 years. Based on the sales method, the dominant offline / physical sales business experienced a decline in sales, compared to the online sales and mixed sales businesses (both offline and online sales methods). Production costs that are fixed or even soaring but not followed by high sales were suspected to be the result of the COVID-19 pandemic.

For business people who are involved in the fashion industry, the economic crisis due to the COVID-19 pandemic is certainly a cause for concern. Sudden changes in consumer behavior are inevitable, namely shifting consumer behavior from shopping for fashion by visiting outlets, bazaars, or exhibitions to be online shopping from home. In addition, consumers only purchase primary goods (such as food, medicines, or health supplements) and tend to avoid buying secondary goods, let alone tertiary goods. Thus it caused an impact on the demand side (supply) of fashion industry products.

In general, the survey conducted by LIPI (LIPI, 2020) also collected perceptions of business people regarding the vulnerability of MSMEs to go bankrupt if the pandemic does not end soon. Nearly 50% of them admitted that they were only able to survive until August 2020, 72.02% would close their business after November 2020, and 85.42% could only survive at least within one year since the pandemic started.

This explanation also illustrates the challenges in the fashion industry. Fashion business entrepreneurs in Surabaya have to face situations that require competence, self-confidence, and formulating new ways of working to save their performance. If this is not accompanied by competence, self-confidence, and the use of new ways to deal with business challenges during the COVID-19 pandemic, they would likely to experience a decline in business performance and even potentially bankrupt.

Various adaptations have been made by business people namely reducing working hours, diversifying their businesses (by adding products and business locations), and switching to online marketing (BPS, 2020: 8 - 15). Therefore, it is not an

exaggeration that Liguori and Winkler (2020) stated that the COVID-19 pandemic brings changes in various life structures, including aspects of personal and social life from offline to online, including in business world. Utilization of the internet and information technology is one way for business people to maintain and or even increase income. Social restrictions result in constraints on conventional marketing methods. The BPS survey results related to the impact of COVID-19 on business people showed that, in general, around 47.75% of companies have used the internet and information technology for online marketing before the pandemic, while around 46.5% had not used it before the pandemic, and 5.76% just started to use it since the pandemic (BPS, 2020: 15).

This study aims to examine the influence of entrepreneurial competence, the use of information technology, and self-efficacy on the performance of fashion entrepreneurs in Surabaya with work innovation during the COVID-19 pandemic. This research is important for several reasons. Firstly, previous empirical studies on the influence of entrepreneurial competence, information technology adoption, self-efficacy, business performance through work innovation in Micro, Small and Medium Enterprises, especially in the Indonesian context, integrated in one research model has not been done before.

Secondly, the COVID-19 pandemic resulted in consequences for entrepreneurs to be able to maintain their business performance. Previous research related to the relationship of each of the majority variables were carried out before the COVID-19 pandemic both in Indonesia and abroad. Of course, different situations will give different research results. Hence, this research is expected to enrich knowledge related to entrepreneurial competence variables, information technology, self-efficacy, business performance and work innovation in various situations. It is also expected to be used as study material for managerial decision making for small and medium enterprises.

Thirdly, this research was conducted on the fashion industry in Surabaya because this industry sector is included in the top 5 priority scales for the development of MSMEs in Surabaya. By examining the factors that affect the performance of fashion MSMEs during the COVID-19 pandemic through work innovation, strategic steps could be taken to be able to design policies for entrepreneurial development and the innovation-based competitiveness for fashion MSMEs.

The impact of the COVID-19 pandemic on fashion businesses has affected almost all forms including producers and sellers of school uniforms, apparels, and accessories. Quoted from www.suarasurabaya.net, the COVID-19 pandemic which coincided with the back-to-school period, thus that sales of school uniforms in a number of places in Surabaya had fallen sharply by up to 90%. This is inseparable from the change in the learning system from offline to online learning from home (SFH = School from home), ranged from kindergarten to high school. Likewise, the same thing happened to producers of daily clothes, working clothes, and party clothes. The phenomenon of working from home through virtual meetings and virtual wedding receptions has kept consumers from spending on clothes for short-term uses.

Competence is defined as the knowledge, skills, abilities, behavior and other characteristics that a person needs to be able to complete their job well (Kaur and Bains, 2013). Taniora and Valencia (2014) stated that there are entrepreneurial competencies that made a real contribution to the performance of 374 micro and small enterprises in the information sector in Mexico. Hasanah, Utomo and Hamid's (2018) research on MSMEs in Tarakan resulted in findings that entrepreneurial competence has a positive impact on the performance of MSMEs in Tarakan. These various statements form a basis to formulate the first hypothesis:

H1 : Competence influences the performance of fashion businesses in Surabaya during the COVID-19 pandemic.

Work innovation is defined as an effort made by utilizing all available resources to develop ideas, solve problems in order to survive, and create new products. Previous study was conducted by Umar, et al. (2018) on 407 business owners as well as business managers in fields of manufacturing, services, and others in Malaysia. The study found that process innovation and product innovation can partially mediate the effect of entrepreneurial competence on financial and non-financial business performance. Based on this description, a hypothesis in this study is formulated, namely:

H2 : Competence influences the performance of fashion businesses in Surabaya with work innovation as a mediating variable during the COVID-19 pandemic.

The use of information technology is defined as the use of a network system that involves the use of hardware and programs in managing data for economic purposes such as the use of computers and the internet. Anugerah (2020) stated that people tend to spend time on social media during the COVID-19 Pandemic hence companies will have the ease in achieving their desired targets. Social media can be used as a medium to increase sales and build intense communication with customers. Joseph, Tulung and Wangke (2020) at 15 culinary MSMEs in Manado concluded that marketing using social media had a positive effect on MSME business performance during the COVID-19 pandemic because it was effective as a medium that brought together sellers and buyers during social restrictions. Related to the COVID-19 pandemic situation, the results of a research conducted by Amelia (2020) on 152 food and beverage business owners in Bandung Raya found that information technology skills during the pandemic were very important for the survival of the community. It is important not only for business but also for distance learning and a number of other activities. Based on this description, the third hypothesis of this study is:

H3 : The use of information technology influences the performance of fashion businesses in Surabaya during the COVID-19 pandemic.

In the era of business globalization, where the world is getting wider, the development of technology and communication plays an important role in business continuity. One of which is the use of social media. Previous research conducted by Mita, Cahyadi and Angraini (2019) on 384 craft, culinary, clothing and shoe-making SMEs in Jabodetabek found that social media can improve performance

by creating knowledge and innovation. Through social media, entrepreneurs gain the availability of knowledge to produce innovations for their products. Mainingsih (2019) in her research entitled *The Analysis of Internal Technology Readiness in Receiving Information Technology and its Influence on the Performance of MSMEs in Malang* found that the adoption of social media had an impact on the emergence of product innovations which had a significant effect on the performance of MSMEs. Referring to a number of results from previous researches, the fourth hypothesis is formulated:

H4 : The use of information technology influences the performance of fashion businesses in Surabaya with work innovation as a mediating variable during the COVID-19 pandemic.

Self-efficacy is an individual's belief in their own ability to successfully perform their duties in order to obtain the desired results (Bandura, 1997). Sources of efficacy come from experiences of success, experiences of others, social persuasion, and physiological and emotional conditions (Bandura, 1997). Murningsih, et al (2014) in their research on psychological factors and their influence on the performance of MSMEs in the fashion sector found that personality, self-efficacy, and locus of control both simultaneously and partially influence the performance of MSMEs. The result is that self-efficacy has been shown to affect the performance of MSMEs in the fashion sector. This description forms the basis for the fifth hypothesis:

H5 : Self-Efficacy influences the performance of fashion businesses in Surabaya during the COVID-19 pandemic.

Rustika (2012) explained that someone who has high self-efficacy will always be motivated to try to learn something and look for new ways of every problem in his work. In addition, this individual will produce innovations and new ways of completing their tasks thus produce innovations that will play a role in their performance based on the level of self-efficacy they have. Desiana (2020) in her study of the performance of the Secretariat and Public Relations division of PDAM Surya Sembada Surabaya explained that staff performance was considered to increase when employees have technical knowledge about innovations applied in their organizations. They felt it was easier to complete their work, resulting in high self-confidence in completing duties. When someone has a high level of confidence, goals will be successfully achieved. In the context of entrepreneurship, an entrepreneur will strive to achieve his best business performance. Someone will take various actions to realize their hopes after going through a series of evaluations including making innovations in their business. In fashion products, innovations on product novelty and uniqueness are essential to increase the attractiveness of products in the eyes of consumers so that they will boost marketing performance (Hendar, 2019). A similar opinion was also conveyed by Ludiya and Maulana (2020) that in order to face business competition, product development, technical and design innovations were proven to be required to improve the performance of fashion MSMEs in Cimahi.

Based on these explanations, a hypothesis was formulated in this study:

H6 : Self-Efficacy influences the performance of fashion businesses in Surabaya with work innovation as a

mediating variable during the COVID-19 pandemic.

According to the explanation on previous researches, a graphic was illustrated in Figure 1 as follow:

[Figure 1 about here.]

METHOD (FOR RESEARCH ARTICLE)

This research used quantitative research method with cross-sectional approach. Competence, the use of information technology, and self-efficacy were identified as independent variables. Meanwhile, business performance was the dependent variable and work innovation was the mediating variable.

Competency variable was measured in 10 question items that represent the dimensions of intellectual competence, emotional competence, and social competence. The use of Information technology variable was measured in 6 question items representing 5 dimensions of the existence of information technology, evaluation of the use of information technology, adoption of information technology, assimilation of information technology, and infusion of information technology. The self-efficacy variable was measured in 8 question items representing 3 dimensions: generality, strength, and magnitude. Work innovation variable was measured in 7 question items representing 3 dimensions, namely product innovation, marketing innovation, and distribution innovation. Business performance variable was measured in 9 question items that represent the dimensions of quantity, quality, and timeliness.

The population in this study included 81 business owners of fashion MSMEs assisted by the Surabaya Trade Office who use information technology (in the form of: websites, marketplaces, social media, including E - Local Market provided by the City Government of Surabaya to bridge entrepreneurs and consumers). The entire population was used as the research sample. After distributing the questionnaires, 69 of them were returned because some respondents could not be contacted and were unwilling to participate in filling out the questionnaires. Data collection was carried out by distributing questionnaires online using Google Form in the fourth week of October 2020 to the first week of December 2020.

Data analysis in this study was carried out using the path analysis. A number of classical assumption tests include validity and reliability tests. In the competency variable, the use of information technology, work innovation, and business performance, all question items had a value of $r_{count} > r_{table}$, so that all question items were declared valid and proper to be used. In the reliability test, the results of the Cronbach's Alpha coefficient value of each variable had exceeded $i > 0.60$, thus all instruments in this study were considered to have excellent reliability.

Furthermore, the classical assumption tests were carried out which consisted of normality test, multicollinearity test, and heteroscedasticity test. In the normality test, the Kolmogorov-Smirnov test was used and the Asymp. Sig value

(2-tailed) is 0.200, where the value is greater than $\alpha = 5\%$, which means that the data was normally distributed. The multicollinearity test was observed in the amount of tolerance (a) and variance inflation factor (VIF), where the value of the five variables $VIF < 10$ so that all variables did not experience multicollinearity. The heteroscedasticity test was carried out through the Glacier test. It was found that all variables had a significant value $> \alpha = 0.05$, so it could be concluded that the data did not occur heteroscedasticity.

This analysis was assisted by a software with the provisions of the F test at $\text{Alpha} = 0.05$ or $p \leq 0.05$ as the significance level of F (sig. F). Whereas for the T-test for the significance level of $\text{Alpha} = 0.05$ or $p \leq 0.05$, a code (sig. T) was displayed to see the significance of the indirect influence of the independent variable on the dependent variable.

RESULTS AND DISCUSSION

The characteristics of fashion MSME entrepreneurs in Surabaya include general characteristics namely age, gender, education level and marital status, which can be seen in Table 1 below:

[Table 1 about here.]

[Table 2 about here.]

Each question in the questionnaire was measured using a Likert scale consisting of 5 answer choices, namely (1) strongly disagree, (2) disagree, (3) neutral, (4) agree and (5) strongly agree. Descriptions of respondents' answers were explained based on the frequency and results of calculating the mean value of each categorized variable. The interval used in categorization was obtained from the highest answer value (5) minus the lowest answer value (1) divided by the number of classes (5), so that the categorization interval distance is 0.8. After that, the variable categorization was carried out with the provision that the interval 1.00 - 1.80 was classified as very low, the interval 1.81 - 2.60 was classified as low, the interval 2.61 - 3.40 was classified as sufficient, the interval 3.41 - 4.20 was classified as high, and the interval 4.21 - 5.00 was classified as very high. Table 3 describes the mean value of the variables and their categories:

[Table 3 about here.]

To determine the effect between variables and to prove the hypothesis of the question, this study used Path Analysis. The variables used are competence (X_1), the use of information technology (X_2), self-efficacy (X_3), work innovation (Z), and

business performance (Y). Path analysis was divided into 2, namely path analysis on work innovation (Z) and path analysis on performance (Y). The SPSS output on the path analysis is as follows:

[Table 4 about here.]

The coefficient of determination is 0.661 or 66.1% indicating that the diversity of work innovation variable (Z) which can be explained simultaneously by competence, the use of information technology, and self-efficacy is 66.1%, while others are explained by other variables outside the data testing model.

[Table 5 about here.]

The significance value (p-value) of competence = 0.000 < α = 5%, hence the competency variable has a significant direct influence on work innovation. The significance value (p-value) of the use of information technology = 0.855 > α = 5%, hence variable the use of information technology does not have a significant direct influence on work innovation, the significance value of self-efficacy (p-value) = 0.020 < α = 5%, hence the self-efficacy variable has a significant direct influence on work innovation.

[Table 6 about here.]

Based on Table 6, the resulting coefficient of determination is 0.630 or 63.0%, indicating that the diversity of performance variable (Y) can be explained by competence (X₁), utilization of information technology (X₂), self-efficacy (X₃) and work innovation (Z) is 63.0%, while others are explained by other variables outside the data testing model.

[Table 7 about here.]

In Table 7, the significance value (p-value) of competence = 0.010 < α = 5%, hence H₁ was accepted, which means that the competency variable has a significant direct influence on performance.

The influence of the competency variable (X₁) on performance (Y) through work innovation (Z) is the multiplication of beta between X against Z, and Z against Y, as follows:

$$\begin{aligned} \text{Beta (X} \rightarrow \text{Z} \rightarrow \text{Y}_1) &= \text{Beta (X}_1 \rightarrow \text{Z)} \times \text{Beta (Z} \\ &\rightarrow \text{Y)} \\ &= \text{Beta (0.768)} \times \text{(0.409)} \end{aligned}$$

$$= 0.314$$

Based on the calculation, it is known that the beta value of the direct influence between X₁ and Y₁ is 0.468, and the indirect influence is 0.314, indicating that the beta value of the direct influence was greater than the value of the influence through work innovation (0.468 > 0.314). These results indicated that H₂ was rejected, meaning that competence does not have a significant effect on performance through work innovation.

Direct influence between the use of information technology variable (X₂) on performance (Y) showed that the significance value (p-value) = 0.716 > α = 5%. Thus, H₃ was rejected, which means that the information technology variable does not have a significant direct influence on performance.

The influence of the use of information technology variable (X₂) on performance (Y) through work innovation (Z) is the multiplication of beta between X₂ against Z, and Z against Y, as follows:

$$\begin{aligned} \text{Beta (X} \rightarrow \text{Z} \rightarrow \text{Y)} &= \text{Beta (X}_2 \rightarrow \text{Z)} \times \text{Beta (Z} \\ &\rightarrow \text{Y)} \\ &= \text{Beta (0.025} \times \text{(0.409)} \\ &= 0.010 \end{aligned}$$

Based on the calculation, it is known that the direct influence beta value between X₂ and Y is -0.053, and the indirect influence is 0.010, indicating that the direct influence beta value is smaller than the influence through work innovation (0.053 > 0.010). These results indicated that H₄ was accepted, meaning that the use of information technology has a significant influence on performance with full mediation by work innovation.

Direct influence between self-efficacy variable (X₃) on business performance (Y) showed that the significance value (p-value) = 0.008 < α = 5%. Thus, H₅ was accepted, which means that the self-efficacy variable has a significant direct influence on performance.

The influence of the self-efficacy variable (X₃) on business performance (Y) through work innovation (Z) is the multiplication of beta between X₃ against Z, and Z against Y, as follows:

$$\begin{aligned} \text{Beta (X}_3 \rightarrow \text{Z} \rightarrow \text{Y)} &= \text{Beta (X}_3 \rightarrow \text{Z)} \times \text{Beta (Z} \\ &\rightarrow \text{Y)} \\ &= \text{Beta (0.174)} \times \text{(0.409)} \\ &= 0.071 \end{aligned}$$

Based on the calculation, it is known that the beta value of the direct influence between X₃ and Y is -0.218, and the indirect influence is 0.071, indicating that the value of the direct influence is smaller than the influence through work innovation (-0.218 < 0.071). These results indicated that H₆ was accepted, meaning that self-efficacy has a significant effect on business performance as partially mediated by work innovation.

After statistical tests were carried out, the following is further discussion and analysis of the results of competency, the use of information technology, self-efficacy, work innovation, and performance of fashion entrepreneurs during the COVID-19 pandemic.

The Influence of Competence on Fashion Business Performance in Surabaya during the Covid-19 Pandemic

The first hypothesis which stated that competence has a significant influence on the performance of the fashion business

in Surabaya was accepted with a positive influence. It is also supported by the very high average results of competency variable and very high entrepreneurial performance. In addition, the higher the level of competence possessed by entrepreneurs, the higher the level of performance of fashion business in Surabaya.

These results indicated that when the Covid-19 pandemic occurred, the performance of fashion businesses in Surabaya did not experience problems due to the competencies possessed by entrepreneurs were very qualified. This entrepreneurial competence could also be formed due to length of experience in fashion, which was mostly 3 year to more than 5 year experience.

The results of online interviews with several respondents showed that the COVID-19 pandemic period did interfere with their entrepreneurial performance, but this happened during the first 3 months of the pandemic (around April to June 2020). It was marked by low demand because the community was making initial adaptations where they prefer to buy basic necessities and necessities that prioritize family health. The following months starting from July until the time this research was conducted, along with the adaptation period for new habits (AKB), market demand began to creep up, although it was not as high as it was before the pandemic.

Relating to the profile of respondents, most of them have middle to high education level. It represents the intellectual competence of the fashion entrepreneurs to keep trying to find a way out during a pandemic. Supported by the results of the respondent's answers *"With my experience, I am confident that I can make good-quality products even during the pandemic"* Fashion entrepreneurs were also pursuing pivot strategies such as switching to making masks, hazmat suits or personal protective equipment, hand sanitizer bags, and home dresses. Social competence was collaborating with business networks to create bundling packages and market their products. In addition to experience, it was suspected that the majority of fashion entrepreneurs in Surabaya (76.8%) are women, where women were mentioned by Sherlywati (2017) to be more willing to take risks and like challenges of their business compared to male entrepreneurs.

Facing the pandemic that is indeed different from normal conditions, high optimism and strong mental resilience are needed because the continuity of their business is not only enjoyed by entrepreneurs to meet their needs and their families'. It is also as accountability to their employees because as mentioned in the profile of respondents, all entrepreneurs have employees, the statement acts as a representation of emotional competence. This explanation is in line with what Kolibacova (2014) stated that the higher a person's competence, he can easily run the company's targets and identify problems that will arise and avoid them, because he already has the required skills for the job.

The Influence of Competence on Fashion Business Performance in Surabaya with Work Innovation as a Mediating Variable during the Covid-19 Pandemic

The second hypothesis which stated that competence has a significant influence on the performance of fashion businesses in Surabaya through work innovation as a mediating variable

was rejected. Thus, work innovation was not proven to mediate the influence of competence on the performance of fashion businesses in Surabaya.

An interesting finding from these results is the mean value of competency variable which was classified as very high, entrepreneurial performance was also very high, and work innovation was also very high but they cannot provide a mediating effect. In addition, to improve entrepreneurial performance during the COVID-19 pandemic, intellectual competence, emotional competence, and social competence are absolutely necessary.

The results of this study certainly do not support a previous research conducted by Umar et al. (2018) which stated that process innovation and product innovation can partially mediate the influence of entrepreneurial competence on financial and non-financial business performance. This difference in results was probably due to previous research was carried out in normal conditions, while this study was conducted during the COVID-19 pandemic. In addition, previous research was carried out on entrepreneurs in manufacturing, services and others, while this research was conducted on fashion entrepreneurs, where the manufacturing, service and other industries were not as concurrent as the fashion industry in terms of market demand during the COVID-19.

The Influence of Information Technology Usage on Fashion Business Performance in Surabaya during the Covid-19 Pandemic

The third hypothesis which stated that the use of information technology has a significant effect on the performance of the fashion business in Surabaya was rejected. This result is certainly very interesting to observe because the mean value the use of information technology variable was classified as high but was not proven to influence, and business performance was classified as very high. In addition, the performance of fashion businesses in Surabaya was not caused by the use of information technology.

This notion was supported by the response of to the item *"I am accustomed to use information technology to run my fashion business"* and the response to the item *"I use information technology to market my products during the COVID-19 pandemic"* as well as the response to the item *"Information technology makes it easier for me to network"* with the mean value was classified as very high. This indicated that entrepreneurs have been aware of the importance of information technology in the era of technological globalization in supporting their business. The use of information technology for product marketing seems to be the choice of entrepreneurs because during a pandemic this strategy is believed to be an effective way to meet consumers. It is in line with the research results of Agustina, Pramudyastuti, and Sunaningsih (2020) that information technology was used for online marketing and sales of handicraft MSMEs in Solo.

On the contrary, the response to 3 items namely *"I am actively updating the latest information technology developments to support my business"*, *"I prepare a high-speed Wi-Fi to support my business"*, and *"I use information technology for financial purposes (such as transactions) and look for raw materials"* got a sufficient mean value. This

response indicated that the fashion entrepreneurs in Surabaya were not active enough to keep up with the development of information technology. This was allegedly because they are still one-man show in running a business so they are passive in following the development of information technology. Employees are prioritized for business operations, but not many have entrusted them to marketing and financial activities using information technology. They followed the development of information technology because they saw friends who had used it first or they were recommended by their friends, thus convincing them to follow their friends' steps.

A sufficient response to the item "*I prepare a high-speed wi-fi to support my business*" indicated that fashion entrepreneurs in Surabaya were serious about developing their business during the pandemic. However, based on interviews, it was revealed that the use of wi-fi had not been maximized in their business because they had to share it with their children who had been learning from home since the pandemic. Likewise, the use of laptops had to take turns with children thus they felt that they had not been optimal in business because they still only used cell phones.

A sufficient response to the question "*I use information technology for financial purposes (such as transactions) and look for raw materials*" indicated that fashion entrepreneurs in Surabaya had not used information technology for purposes other than marketing, selling, and distributing products. Based on additional information from the results of the interview, there was a feeling of insecurity and unfamiliarity; some admitted that there was a concern that it was not safe to make transactions online, so they could not take advantage of information technology. Likewise, according to their admission, not all consumers were willing to purchase fashion products and pay online. This is a unique statement which distinguishes fashion business from culinary business during the pandemic. Thus, fashion entrepreneurs in Surabaya claimed that they still do it in old ways to convince consumers of product quality and payment security. This situation was not much different from Taryadi's (2016) research on Batik SMEs in Pekalongan that had adopted many technologies for marketing activities using websites. The constraints faced were consumers' concerns about fraud cases and faults in delivery.

Responding to these results, some fashion entrepreneurs in Surabaya during the COVID-19 pandemic were not ready to take advantage of information technology, for personal reasons. This is considered to have caused the low influence of the use of information technology on business performance during the COVID-19 pandemic. Based on the opinion of Rogers (1995), these entrepreneurs were classified as the early majority, that is, the adopters of innovation who are careful and have many social partners with information. Following up on this requires efforts from entrepreneurs themselves and also policy makers to improve fashion business performance to provide education on the use of information technology to improve the performance. It is because information technology skills during the pandemic are very important for the survival of the community, not only for business but also for distance learning and a number of other activities (Amelia, 2020).

The Influence of Information Technology Usage on Fashion Business Performance in Surabaya with Work Innovation as a Mediating Variable during the Covid-19 Pandemic

The fourth hypothesis which stated that the use of information technology was proven to have an effect on the performance of fashion businesses in Surabaya with work innovation as a mediating variable was accepted. Furthermore, the nature of the mediation is full mediation, thus work innovation becomes an important variable to increase the influence of competence on the performance of fashion businesses Surabaya.

Supported by the high mean value of the use information technology variable, the very high entrepreneurial performance, and the very high work innovation, it can be interpreted that to increase the influence of information technology on the performance of fashion entrepreneurs in Surabaya during the COVID-19 pandemic, work innovation is absolutely essential.

For fashion entrepreneurs in Surabaya, adapting to information technology is absolutely necessary for the existence of the businesses they run, especially during the COVID-19 pandemic. The conditions of the COVID-19 pandemic limit the direct interaction of sellers and buyers due to social restrictions to break the transmission chain of the virus. Hence, it encourages people to use social media in various activities of life. In line with what was stated by Liguori and Winkler (2020), the COVID-19 pandemic brought changes in various life arrangements, including aspects of personal and social life from offline to online, including in the business world. Likewise, what happens to fashion entrepreneurs in Surabaya, information technology was used to make sales, marketing (quantity) in accordance with the target market as disclosed by Anugerah (2020); (Joseph, Tulung and Wangke, 2020). The use of direct message on Instagram, chat on Whatsapp, Line or Telegram, or chat on the marketplace were very helpful to obtain raw materials from suppliers, or having intensive communication with potential consumers instead of direct interaction. Timeliness was realized by collaborating with courier service providers whose delivery can be traced through an application that can be easily checked on both senders' and the consumers' cell phones. This explanation was in line with Rahman and Ramdani's (2016) statement that the adoption of e-commerce greatly contributes to business people.

In addition, fashion entrepreneurs in Surabaya utilized information technology not only as a means of marketing and selling their products but also as a means of networking, learning tools, and conducting comparative studies that underlie the emergence of ideas for product innovation, marketing, and distribution. Through online conversations with the Whatsapp, Line and Telegram applications, various consumer posts on Instagram and Facebook can identify market needs, so that fashion entrepreneurs in Surabaya can produce fashion according to market tastes. This is what distinguishes fashion from other businesses, where market tastes are very dynamic. Therefore, innovative ways are required to survive in the fashion industry. The results of this study supported the findings of previous research conducted by Mita, Cahyadi and Anggraini (2019) and Mainingsih (2019) which stated that the adoption of social influenced product innovation and had an impact on the

performance of MSMEs.

The Influence of Self-Efficacy on Fashion Business Performance in Surabaya during the Covid-19 Pandemic

The fifth hypothesis which stated that self-efficacy has a significant effect on the business performance of fashion SMEs in Surabaya was accepted with a positive influence. It was also supported by the mean value of the self-efficacy variable which was classified as very high, and the entrepreneurial performance which was classified as very high as well. According to Bandura (1997), the higher the level of efficacy a person has, the higher the level of one's self-adjustment to the situation at hand. When connected with business performance in the context of this research, the very high performance of fashion businesses during the COVID-19 pandemic was due to the high adaptation skill of these entrepreneurs.

Although the average self-efficacy of entrepreneurs was high, there is still more to learn from the experiences of others in entrepreneurship. From the results of data analysis, the item about "*Others' failure in entrepreneurship has made me more careful in making decisions*" has the lowest mean value of 4.28 when compared to other items in the self-efficacy variable. Entrepreneurs who own fashion business admitted that they had experienced failures in running a business. They did not get the turnover as expected, business partners cheated on them, and some even have gone bankrupt. These things are what make them experienced in controlling odd situations such as during the COVID-19 pandemic.

The high confidence and self-adjustment of fashion entrepreneurs in Surabaya so that they can improve entrepreneurial performance was considered to be in line with Bandura (2017) statement that experiences of success, experiences of others, social persuasion, and physiological and emotional conditions were influential. From the respondent's profile, almost 53% have experienced for 3 to more than 5 years. The majority of the education levels taken by fashion entrepreneurs are middle to high education. Verbal persuasion in this case is social support from people around them. For fashion entrepreneurs in Surabaya, social support was obtained from their families, employees, their business networks, and the attention and facilities of the Surabaya City Government Trade Office during the COVID-19 pandemic by providing an E-Commerce facility called E-Local Marketing. The results of this study supported one of the results of research by Murniningsih, et al. (2014) that self-efficacy influenced the performance of MSMEs in the fashion sector.

The Influence of Self-Efficacy on Fashion Business Performance in Surabaya with Work Innovation as a Mediating Variable during the COVID-19 Pandemic

Work innovation was proven to partially mediate the effect of self-efficacy on the performance of fashion businesses in Surabaya. It was also supported by the mean value of answers in Table 1 that self-efficacy was classified as very high, business performance was very high, and work innovation was very high. In addition, the high performance of fashion entrepreneurs during the COVID-19 pandemic did not only come from self-efficacy, but there was also a role for work

innovation in the form of product innovation, marketing, and distribution.

Referring to the opinion of Feist, et al. (2011) that humans who believe that they are able to act on something that has the potential to change their situation and environment will be more likely to act and succeed in the future than those with low self-efficacy. Likewise, fashion entrepreneurs in Surabaya had high confidence in being able to improve their entrepreneurial performance in the midst of the COVID-19 pandemic. This was inseparable from lessons learned from their entrepreneurial experience they already had.

However, what cannot be ignored is the work innovation factor, where in order to deal with changes in consumer behaviors and comply with government regulations to control the transmission of the virus during the COVID-19 pandemic, fashion entrepreneurs must take innovative actions in terms of products, marketing, and distribution so that their business performance can be achieved both in quality and quantity. Based on research results and associated with previous research, it can be interpreted that to improve the performance of the fashion business, product development, technical and design innovations (Ludiya and Maulana, 2020), product novelty and product uniqueness (Hendar, 2019) are required.

CONCLUSION AND SUGGESTION

The COVID-19 pandemic has impacts on various aspects of life, including the performance of fashion entrepreneurs in Surabaya. Based on the results and discussion about competence, the use of information technology, self-efficacy, work innovation, and business performance of fashion MSME owners in Surabaya during the COVID-19 pandemic, the following conclusions are drawn:

Competence and self-efficacy were proven to influence business performance whilst work innovation was not proven to mediate the influence of competence on fashion business performance in Surabaya during the COVID-19 pandemic. Therefore, it is recommended to increase positive aspects in entrepreneurship by increasing skills, knowledge, and online business networks. The use of information technology had not been proven to have an influence on the performance of fashion businesses in Surabaya. Therefore, it is advisable for fashion entrepreneurs to increase their confidence and knowledge about digital literacy in order to be able to improve their business performance and be competitive.

Information work innovation was proven to fully mediate the influence of the use of information technology on the performance of fashion businesses in Surabaya. Therefore, facing the COVID-19 pandemic can hone broader knowledge and skills about information technology in order to add values in fashion products, marketing, and distribution with innovative ways so that their business performance can be more optimal. Work innovation was proven to partially mediate the effect of self-efficacy on the performance of fashion businesses in Surabaya. Hence, it is recommended for fashion entrepreneurs in Surabaya to increase optimism in the COVID-19 situation by learning new things, for example knowing changes in market

tastes and changes in consumer behaviors including adapt to various new works in production, marketing, and distribution in order to maintain business existence and business performance.

The new research model found in this study is that the indirect effect on organizational commitment in this study is greater, namely servant leadership on organizational commitment through workplace spirituality compared to the effect of direct servant leadership on organizational commitment. This means that the millennial generation at work not only wants leaders who support and help their subordinates but the millennial generation also pays attention to factors in the work environment to be able to create high organizational commitment.

The second new research model found in this study is that the indirect effect on organizational commitment in this study is greater, namely servant leadership on organizational commitment through work motivation, compared to the effect of direct servant leadership on organizational commitment. From the results obtained indirectly, it means that the work commitment of the millennial generation is more influential if it is through work motivation. This can mean that in working the millennial generation needs to pay attention to the work motivation factor, because if there is no desire to work, there will be no commitment in an organization even though the leader is good, so there needs to be work motivation in the millennial generation

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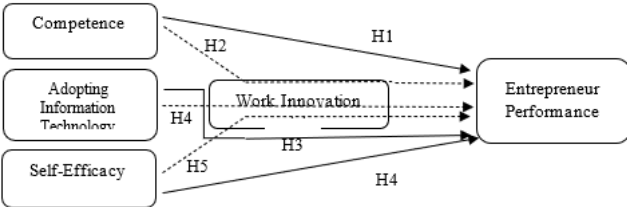


Figure 1 | Conceptual Framework of the Study

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TABLE 1 / Characteristics of Respondents

	Criteria	Frequency	Percentage
Age	19 – 24 year old	14	20.3
	25 – 30 year old	22	31.9
	31 – 36 year old	10	14.5
	37 – 42 year old	9	13.0
	43 – 48 year old	8	11.6
	49 – 54 year old	3	4.3
	55-60 year old	3	4.3
Gender	Male	16	23.2
	Female	53	76.8
Education Level	Elementary School	2	2.9
	High School	23	33.3
	Diploma	7	10.1
	Undergraduate	28	40.6
	Postgraduate	9	13.0
Marital Status	Single	23	33.3
	Married	44	63.8
	Divorced/Widowed	2	2.9

Source: Data Processed by Researchers,2020

TABLE 2 / Characteristics of Business

	Criteria	Frequency	Percentage
Fashion Industry Types	Accessories	11	15.9
	Batik	4	5.8
	Embroidery	2	2.9
	Hijab/Prayer Gown	8	11.6
	Apparel	27	39.1
	Shoes/Sandals	6	8.7
	Bags	5	7.2
	Others	6	8.7
Age of Business	0 – 12 Months	18	26.1
	1 – 3 Years	14	20.3
	3 – 5 Years	11	15.9
	>5 Years	26	37.7
Number of Staff	1 – 5 people	51	73.9
	6 – 10 people	10	14.5
	11 – 15 people	6	8.7
	16 – 20 people	1	1.4
	>20 people	1	1.4

Source: Data Processed by Researchers, 2020

TABLE 3 / Mean Value of Variables and Categories

Variable	Mean Value	Category
Competence	4.22	Very High
Technology Usage	4.20	High
Self-Efficacy	4.43	Very High
Work Innovation	4.24	Very High
Business Performance	4.38	Very High

Source: Data Processed by Researchers, 2020

TABLE 4 / The Diversity Value of Path Coefficient on Work Innovation (Z)

Model	R	R Square	Adjusted R Square	Standard Error of The Estimate
(Constant)	.813 ^a	.661	.646	2.082

Source: Data Processed by Researchers, 2020

TABLE 5 / The Individual Test Output on Path Coefficient of Work Innovation

		Coefficients ^a				
Model		B	Std.Error	Beta	t	Sig.
1	(Constant)	.059	3.188		.019	.985
	Competence	.551	.099	.768	5.555	.000
	Information Technology	.029	.157	.025	.184	.855
	Self-Efficacy	.160	.067	.174	2.393	.020

a. Dependent Variable: Work Innovation

Source: Data Processed by Researchers, 2020

TABLE 6 / The Diversity Value of Path Coefficient on Performance (Y)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.793 ^a	.630	.606	2.731
a. Predictors: (Constant), Work Innovation, Information Technology Usage, Competence, Self-Efficacy				

Source: Data Processed by Researchers, 2020

TABLE 7 / Individual Test Output on Path Coefficient of Performance (Y)

Model	Coefficients ^a		Standardized Coefficients Beta	t	Sig	Hypothesis Result
	Unstandardized Coefficient B	Std.Error				
1. (Constant)	17.429	4.182		4.168	.000	
Competence	.418	.158	.468	2.646	.010	Accepted
Information Technology	-.075	.205	-.053	-.365	.716	Rejected
Self-Efficacy	-.250	.092	-.218	-	.008	Accepted
Work Innovation	.510	.163	.409	3.132	.003	

a. Dependent variable : Performance

Source: Data Processed by Researchers, 2020