REPOSITIONING IMPROVEMENT BUSINESS DEVELOPMENT THROUGH BEHAVIOR, COORDINATION AND COMPETENCE OF SMEs IN PAHLAWAN VILLAGE, TANJUNG TIRAM DISTRICT

Abdi Setiawan[1], Irawan[2], Aliyah Hidayanti[3]
Faculty Social and Science, Universitas Pembangunan Panca Budi
Medan, North Sumatera, Indonesia

ABSTRACT

BatuBara Regency, which is a special area for international standard tourism, is an important focus in the study of Human Resource development in order to create regional economic independence. One sector that is of concern in this tourism area is the development of SMEs. The problems currently faced by SMEs in Pahlawan Village include the declining purchasing power of the community, distribution barriers due to activity restrictions, difficulty accessing capital and a lack of product innovation. These problems have become the focus of researchers to design research that aims to create a repositioning of business development through behaviour, coordination and competence of SMEs. The action plan from this research will also target sustainable SME business improvement by creating business specialization. This research approach uses a quantitative design with an explanatory research design through the Structural Equation Modelling research model which will later break down complex problem indicators. The results of this study can later be used as material for the study of policy makers in the BatuBara Regency Government, especially the Department of Industry, Tourism and Cooperatives plan outyang The targets are International Journals indexed Copernicus, Journal of Community Service, national proceedings, and Book Chapters. The TKT of readiness for this research is at TKT 2 with the target TKT 3.
Keywords : Business Development, Behaviour, Coordination and Competence

INTRODUCTION.

The liberalization of international trade and the globalization of the world economy in general over the last two decades means that all countries must focus on ensuring that their industries are globally competitive. To get the maximum benefit from the changes in the world economic order for now, SMEs, especially in Pahlawan Village, have not yet received the maximum benefits from the globalization of the world economy and the liberalization of international trade, largely because of the mirage of problems faced by the industry, especially the small and medium business (SMEs) economic sector. These problems hinder the sector from being effective not only in the domestic market but also in the international market. This study highlights the repositioning of UKM in Pahlawan Village to have competitiveness through business development, productive behaviour, coordination and competence. Options and strategies for repositioning the sector are the main focus of this paper.

Many SMEs in Pahlawan Village do not have the required technical, developmental, productive and managerial skills. Due to their limited resources, they are most often unable to compete in hiring skilled workers who can make a significant contribution to their business operations. The traditional paradigm held that individuals starting new businesses often belong to a social class that is already in business and already has sufficient resources to enable them to set up a business. Able to start a business smoothly, overcome obstacles in the first stage of development, and eventually grow.

The development and expansion of their business is thus hampered to a large extent due to:

1. Newcomers have never before come into contact with life and a strong way of thinking and business mentality.

2. The prospective owners don't know scientific ways of managing things.

3. Start-up entrepreneurs have not inherited technology skills and how to solve technical problems.

4. People are generally trained in schools and training centres for later employment, not to become self-employed entrepreneurs.

This phenomenon is important as a frame of reference for research with the theme Repositioning Business Development Through Behaviour, Coordination and Competence of UKM Actors in PahlawanVillage.

LITERATURE REVIEW.
2.1. Business development

According to the Big Indonesian Dictionary, development is process, way, act of developing. Development is a business planned activities of the organization to increase the knowledge, skills, and abilities of employees. Development is more emphasized on increasing knowledge to do work in the future, which is carried out through an integrated approach with other activities to change work behavior.

There are two types of business development, namely: Vertical development is business development by developing the core of the business. Horizontal development is business development that is not linear with the core business, but can strengthen the core business. In developing a business, there are three aspects that must be considered, namely: The sales aspect pays attention to how the goods are sold, the age majority, origin, as well as consumer tendencies, and the sales process. The management aspect pays attention to the managerial processes of the business starting from product manufacture, marketing planning, to product distribution planning. The strategic aspect includes how to develop the business by improving product quality, creating new products, or working with other parties.

2.2 Business Conduct

Business behavior is an important point for every business actor in running a business. Therefore, it is important that you know the meaning of business ethics from a number of experts. That is:

1. According to Bertens (2000), According to Bertens, business ethics is broader than the provisions regulated by law. Even business ethics is a higher standard when compared to the minimum standards of legal provisions. Because in business activities or activities we often find gray areas that are not regulated by law.

2. According to Hill and Jones, According to Hill and Jones, Understanding Business Ethics is a teaching in distinguishing between right and wrong in providing provisions to every company leader when considering strategic decision making related to complex moral issues.

3. According to Sumarni (1998: 21), the definition of business ethics is related to the problem of assessing business activities and behavior that refers to truth or honesty in doing business.

4. According to Sim, this is related to effective leadership in an organization.

5. According to Velasques, the definition of business ethics is a study that is based on

right and wrong morals.
6. According to the Business & Society-Ethics and Stakeholder Management, Business Ethics is a discipline that deals with the good and bad of a moral duty and obligation in a business context.According to Steade et al: According to Steade et al, Business Ethics are ethical standards related to objectives and ways of making business decisions

As an illustration, the public still views BUSINESS as BUSINESS, where it is very possible to carry out actions that are not commendable to achieve business goals, for example committing bribery to obtain business licenses, committing fraudulent practices in production or conducting marketing manipulation. It is wrong to think that business has nothing to do with ethics or morality, and that morality is only considered a myth in business.

2.3. Coordination

Coordination is the activity of directing, integrating and coordinating elements of management and the work of subordinates in achieving organizational goals. The form of coordination is divided into two major parts, namely vertical coordination and horizontal coordination. Both of these forms usually exist in an organization [3].
The benefits of coordination include:
a)   Coordination can avoid feeling detached from one another, between organizational units or between officials in the organization;
b)   Avoid an opinion or feeling that organizational units or officials are the most important;
c)   Avoiding the possibility of conflict between parts of the organization;
d)   Avoiding the occurrence of job vacancies for an activity in the organization;
e)   Raise awareness among employees to help each other [3].

2.4. Competence

Competence is a characteristic that stands out for a person and becomes ways of behaving and thinking in all situations, and lasts for a long period of time. From this opinion it can be understood that competence refers to a person's performance in a job which can be seen from thoughts, attitudes, and behavior [3].
The five competency characteristics are as follows:
a)   Motives, namely something people think and want that causes something;
b)   Traits, namely the physical characteristics of consistent responses to situations;
c)   Self-concept, namely attitudes, values, and image of a person;
d)   Knowledge, namely information owned by a person in a particular field;
e)   Skills, namely the ability to perform tasks related to the physical and mental [3].

METHOD.

The design of this study uses an associative quantitative research approach which describes the relationship pattern of exogenous variables to endogenous variables. This research will be carried out in Tanjung Tiram District, BatuBara Regency by taking the Hero Village object. The time for research and preparation was carried out for one year starting from September 2022 to December 2022.
The variables in this study are exogenous latent variables of business behavior, coordination and competence and endogenous business hassleitioning latent variables.
1.   Business Conduct

Business conduct is assessing business activities and behavior that refers to truth or honesty in doing business.

2.   Coordination

Coordination is the activity of directing, integrating and coordinating elements of management and the work of subordinates in achieving organizational goals. The form of coordination is divided into two major parts, namely vertical coordination and horizontal coordination. Both of these forms are usually present in an organization.

3.   Competence

Competence is a characteristic that stands out for a person and becomes ways of behaving and thinking in all situations, and lasts for a long period of time.

4.   Repotitioning

Repotitioning is the act of designing organizational competencies so that they occupy meaningful and distinct competitive positions in the management of human resources

The population is a generalization area consisting of objects and subjects who have certain characteristic qualities determined by the researcher to study and then conclusions are drawn. The population in this study are UKM entrepreneurs around Pahlawan Village whose number is not known with certainty.

The sample is part of the number of characteristics possessed by the population. Sampling was carried out using non-probability sampling technique, namely sampling is used because if the characteristics of the population are not identified with certainty and even the number is present but not identified with certainty. Determination of the sample based on coincidence (exidental sampling), that is, the researcher deliberately chose a sample from anyone the researcher met or by accident at a predetermined place, time and method by specifying a minimum of 100 respondents.

RESULT.

In this study, data analysis used the Partial Least Square (PLS) approach. PLS is a component- or variant-based Structural Equation Modeling (SEM) model. According to Ghozali (2006), PLS is an alternative approach that shifts from a covariance-based SEM approach to a variance-based one.

SEM which is based on covariance generally tests causality/theory while PLS is more of a predictive model. PLS is a powerful analytical method (Ghozali, 2006), because it is not based on many assumptions. For example, the data must be normally distributed, the sample does not have to be large. Besides being able to be used to confirm theory, PLS can also be used to explain whether there is a relationship between latent variables. PLS can simultaneously analyze constructs formed with reflective and formative indicators. According to Ghozali (2006) the purpose of PLS is to help researchers for prediction purposes. The formal model defines the latent variable as a linear aggregate of its indicators. The weight estimate for creating the latent variable score component is obtained based on how the inner model (a structural model that links between latent variables) and the outer model (a measurement model, namely the relationship between indicators and their constructs) is specified. The result is the residual variance of the variable dependent.

Parameter estimation obtained with PLS can be categorized into three. First, is the weight estimate used to create latent variable scores. Second, it reflects the path estimate that connects latent variables and between latent variables and their indicators (loading). Third, related to means and parameter locations (regression constant values) for indicators and latent variables.

To obtain these three estimates, PLS uses a 3-stage iteration process and each iteration stage produces estimates. The first stage produces a weight estimate, the second stage produces estimates for the inner and outer models, and the third stage produces means and location estimates (Ghozali, 2006).

a) Structural or Inner Model

Inner models (inner relations, structural models and substantive theory) describe the relationship between latent variables based on substantive theory. The structural model was evaluated using the R-square for the dependent construct, the Stone-GeisserQ-square test for predictive relevance and the t-test and the significance of the structural path parameter coefficients. In assessing the model with PLS begins by looking at the R-square for each dependent latent variable. The interpretation is the same as the interpretation in regression. Changes in the R-square value can be used to assess the effect of certain independent latent variables on the dependent latent variable whether it has a substantive effect (Ghozali, 2006). In addition to looking at the R-square value, the PLS model is also evaluated by looking at the Q-square predictive relevance for the constructive model.

b) Measurement Model or Outer Model

Convergent validity of the measurement model with the indicator reflective model is assessed based on the correlation between the item score/component score and the construct score calculated by PLS. Reflective measure is said to be high if it correlates more than 0.70 with the construct you want to measure. However, for research in the early stages of development

A measurement scale of loading values from 0.5 to 0.60 is considered sufficient (Chin, 1998 in Ghozali, 2006). Discriminant validity of the measurement model with reflective indicators is assessed based on the cross loading of measurements with constructs. If the construct's correlation with the measurement item is greater than the other construct's measures, it will indicate that the latent construct predicts the size of the block better than the size of the other blocks. Another method for assessing discriminant validity is to compare the square root of Average Variance Extracted (AVE) value of each construct with the correlation between other constructs in the model. If the AVE root value of each construct is greater than the correlation value between constructs and other constructs in the model, then it is said to have good discriminant validity. This measurement can be used to measure the reliability of latent variable component scores and the results are more conservative than composite reliability. It is recommended that the AVE value should be greater than 0.50 (Fornnel and Larcker, 1981 in Ghozali, 2006). Composite reliability which measures a construct can be evaluated with two kinds of measures, namely internal consistency and Cronbach's Alpha (Ghozali, 2006).

CONCLUSION.

This Research is a secondary data collection process. This study collects data and information from various literary sources such as special books or magazines, journals and documents that are relevant to the problem to be studied in order to complete the primary data. The current era of economic globalization is increasingly complex and developing over time. The development of Small and Medium Enterprises (SMEs) shows unsatisfactory growth, especially in North Sumatra Province. This has become a challenge for business actors in maintaining and developing their business so far. This condition is a separate issue in maintaining its business.

Factors that play an important role in income problems include skill competence, financial planning and cost management which have not been managed effectively and marketing management that is not well detailed, coupled with unstable production intensity, has caused problems with declining income for these processed industry business actors.

REFERENCES.

Abubakar, R. R. T. (2018). pengaruh kompetensi pegawai terhadap produktivitas kerja Pegawai Dinas Kesehatan Kota Bandung. *Jurnal Administrasi Negara*, *24*(1), 17-32.

Cahyadi, I. F. (2019). Strategi Repositioning Bisnis Multi Level Marketing dan Tinjauan Dari Prespektif Syariah. *BISNIS: Jurnal Bisnis dan Manajemen Islam*, *7*(1), 113-128.

Djakfar, M. (2009). *Anatomi perilaku bisnis: Dialektika etika dengan realitas*. UIN-Maliki Press.

Fajrin, S. N., Agustiyawan, A., Purnamadyawati, P., & Mahayati, D. S. (2021). Literature review: hubungan koordinasi terhadap keterampilan menggiring bola pada pemain sepak bola. *Indonesian Journal of Physiotherapy*, *1*(1), 6-12.

HH, S. B. (2012). Komunikasi bencana: aspek sistem (koordinasi, informasi dan kerjasama). *Jurnal Aspikom*, *1*(4), 362-372.

Komara, E. (2019). Kompetensi Profesional Pegawai ASN (Aparatur Sipil Negara) di Indonesia. *Mimbar Pendidikan*, *4*(1), 73-84.

Mulyani, S. R., & Saputri, M. A. (2019). Pengaruh kompetensi pegawai, penempatan kerja dan pengembangan karir terhadap kinerja pegawai. *Psyche 165 Journal*, 51-63.

Nugroho, H. C., Zauhar, S., & Suryadi, S. (2014). Koordinasi Pelaksanaan Program Pengembangan Kawasan Agropolitan di Kabupaten Nganjuk. *Indonesian Journal of Environment and Sustainable Development*, *5*(1).

Sumantri, R. S. R. S. R. (2015). Teori-Teori Etika Perilaku Bisnis Dan Pandangan Islam Tentang Perilaku Etika Bisnis. *I-ECONOMICS: A Research Journal On Islamic Economics*, *1*(1), 121-137.

Sinuor, Y. L. (2010). *Etika bisnis: pendekatan filsafat moral terhadap perilaku pebisnis kontemporer*. Yayasan Pustaka Obor Indonesia.

Witarsana, I. G. A. G., & Prabawati, N. P. D. (2021). Pendampingan Pembuatan Business Plan Repositioning Hotel Warna Kedaton Post COVID-19. *Jurnal Pengabdian Kepada Masyarakat Makardhi*, *1*(2), 73-84.