

# Intellectual Agility and Entrepreneurial Leadership as Innovation Sustainability Business Cooperative in The Covid 19 Pandemic

Menik Kurnia Siwi<sup>1</sup>, Agung Haryono<sup>2</sup>, Ita Nuryana<sup>3</sup>

<sup>1</sup>Universitas Negeri Padang, Padang Indonesia

<sup>2</sup>Universitas Negeri Malang, Malang Indonesia

<sup>3</sup>Universitas Negeri Semarang, Semarang, Indonesia

\*Corresponding author. Email: [menikkurnia@gmail.com](mailto:menikkurnia@gmail.com)

## ABSTRACT

Cooperatives as an activator of the people's economy have a great contribution to the welfare of the people who are members. In line with the global economic, the competitiveness cooperatives as a enterprises arise. The purpose of this study to analyze of cooperative ability to survive in the era of the covid 19 pandemic. The research method used was a qualitative method and data collection by interview and observation. Based on the results of research entrepreneurial leadership, Intellectual agility of employees and Innovativeness are able to survive in the pandemic era even though in terms of operating profit it has decreased. Various efforts were made to maintain the business and help the members' economy, one of which was by providing delays in credit installments for members and providing concessions related to the credit distribution system.

**Keywords:** *sustainability business, cooperatives, Intellectual agility and entrepreneurial leadership*

## 1. INTRODUCTION

Based on the Indonesian constitution, national economic development is built on three economic pillars, namely BUMN, private sector and cooperatives. The three economic pillars constitute Indonesia's economic infrastructure, in accordance with Pasal 33 UUD 1945 [1]. Ideally, all three are organized according to the ideals for which this country was founded. Therefore, to realize a common goal based on the principle of kinship, the three must become pillars in the national economic system. The production branches which are important and affect the livelihood of the people must be managed optimally by the State. Everything that exists, whether earth, water and natural resources, must be controlled by the state and used for the prosperity of the people. All economic activities are carried out democratically, by implementing the principles of togetherness, efficiency, justice, sustainability, being environmentally friendly, and supporting economic progress and unity. That is the message of the constitution of the Republic of Indonesia. The reform of BUMN must be in accordance with that mandate and cannot be separated from the improvement of the other two pillars of the Indonesian economy, namely the private sector and cooperatives [2]. However, the condition of the three pillars of the Indonesian economy, at present, has not run according to the mandate of independence. That may have deviated from

the economic principles as stated above. And the most concerning of the three pillars is cooperatives, so what is discussed in this study is cooperatives and their problems.

Cooperatives are an appropriate forum and vehicle for the implementation of development in the Indonesian economy[3]. Especially in improving the welfare of the economically weak groups by participating in the process of nation building. So that cooperatives are expected to be able to support and develop the economic potential and capabilities of members and the community. The existence of cooperatives is also expected to be able to improve the quality of life of the community, especially the weak economic group. The people's economy is the basis for the strength and resilience of the national economy as a joint effort based on the principles of kinship and economic democracy, so that cooperatives are played and functioned as the main pillars in the national economic system because cooperatives in accordance with the term as "economic pillars" have the meaning of pillars or the main support or backbone of the economy for the State of Indonesia[3].

Cooperatives are one type of business entity consisting of people or legal entities that use the basic principles of kinship and economic democracy. Article 33 of the 1945 Constitution describes the business activities of cooperatives. Cooperatives support national

economic activities and are part of the national economic system. The welfare of members and the community is the goal of establishing a cooperative. As well as realizing a just and prosperous society based on Pancasila and the 1945 Constitution.[1]

Cooperative activities aim to realize the economic life of the community, both its members and the surrounding community. Cooperatives as an organization that becomes a gathering place for community economic activities for mutual welfare in running a business and in an effort to meet the common needs of its members.

Some of the principles of cooperatives include voluntary and open membership, business management is carried out democratically, distributions of the remaining business results is carried out fairly according to the proportions. the amount of business services of each member, the provision of remuneration limited to capital and independence have been explained in the Law of the Republic of Indonesia Number 25 of 1992 concerning Cooperatives article 5. Cooperatives are business institutions with social character [5]. As business actors, cooperatives must face increasingly fierce business competition.

Competitiveness in business is the ability of a company, industry, region, country or region to generate high and sustainable income and employment factors to face international competition, according to the Organization for Economic Co-Operation And Development (OECD). The ability of the industry to compete is needed for the progress of the national economy. To determine the national industrial development policy, a thorough study of the industrial sector in the region is needed so that accurate results are obtained.[6]

The company's competitiveness can be seen from the ability to produce goods and services to meet the needs of the community and are standardized and measured internationally. Competitiveness is defined as the ability of a country to obtain and increase income which is supported by the opening of job opportunities and increased productivity. In addition, the ability to face business competition is also one of the competitiveness that must be owned by cooperatives.

During the 1998 economic crisis, cooperatives and MSMEs were able to survive in the market because their competitors from other economic actors were destroyed because they were in debt, so they were unable to survive and compete in the domestic market. With normal domestic market conditions, MSME actors and cooperatives should not be complacent, because in normal market conditions it is possible for their competitors not to be easily defeated, let alone to be eliminated. For this reason, MSME actors and cooperatives are able to face various competitions that occur in the market, so cooperatives and MSMEs must be

able to focus on market cooperation to get competitive prices, avoid inventory shortages, and guarantee better product quality. By focusing on these three things, it is hoped that MSME market players and cooperatives will be able to compete competitively in the domestic and international markets.

However, on the other hand, the implementation of increasing business competitiveness in MSMEs and Cooperatives is currently constrained by several obstacles which, if they do not receive attention from the government, can hinder business growth for MSMEs and Cooperatives. The obstacles that have always been obstacles include the relationship with unclear business prospects and unsteady planning, vision and mission, lack of capital, and the quality of human resources. Especially during the pandemic, cooperatives must be able to innovate to maintain business sustainability. During the COVID-19 pandemic, the economy is in crisis again. People's purchasing power has decreased and distribution channels have also been hampered. Every business experiences various problems and requires more effort to be able to continue running its business activities. Cooperatives as a community effort are expected to be able to survive and help the community's economy during the pandemic.

## **2. METHOD**

This research on increasing the competitiveness of cooperatives to improve the condition of national resilience in the economic field uses a Survey Analysis research design, which was carried out in a descriptive qualitative manner, with the study location in cooperatives in the city of Malang. The data collection technique uses direct observation in the field, distributing questionnaires (for primary data), participation and in-depth interviews with respondents (cooperative administrators and members). Meanwhile, secondary data were obtained from literature studies and literature studies relating to the subject matter being researched, namely business tips in corporate development. While the analysis of research data obtained from the field is processed based on qualitative techniques and designs that the researcher as an instrument is also an analyse of results to develop conclusions in the form of cooperative theory.

## **3. RESULTS AND DISCUSSION**

The Organization for Economic Co-Operation and Development (OECD) states that competitiveness is the ability of a country to increase state income by creating employment opportunities and increasing the level of community productivity in a sustainable manner. This competitive ability needs to be maintained in order to maintain the national economy as well as to face international competition.

**Table 1. Variable measurement**

No	Topics	Question	Respos
1	<i>Future orientation</i>	Have high expectations about the company's future development	50%
		Can predict well the possibility that will happen in the future	65%
		Able to inspire the workforce about the value of the company and the company's prospects in the future	60%
2	<i>Building community</i>	Able to make decisions quickly and be able to make the right policies	75%
		Optimistic about the company's performance in the future	80%
		Directing employees to always think logically and forward	70%
3	<i>Intellectual agility of employees</i>	Have a high ability to run the company	75%
		Constantly improving knowledge and skills for all employees	85%
		Provide challenges and career paths to increase employee competence	80%
		Teaches to try to identify and analyze problems to find solutions in pandemic condition	75%
4	<i>Innovativeness</i>	Always introduce new products/services according to consumer needs	75%
		Paying great attention to the development and change of information technology	75%
		Provide much of time to make observations about market trends.	80%

The competitiveness of a country's economy globally or internationally is determined by two factors, namely comparative advantage and competitive advantage. [7] The comparative advantage factor is considered as a factor that can be obtained or can be developed/created. In addition to these two factors, the level of competitiveness of a country is actually also influenced by what is called the Sustainable Competitive Advantage (SCA) [8]. Especially in order to face the level of global competition in business that is getting tighter or hypercompetitive, especially during the covid 19 pandemic.[9] The ability of corporate leaders and

innovation is needed in dealing with competition and to survive during a pandemic. It takes good managerial skills for cooperative management to be able to maintain their business during a pandemic. Entrepreneurial leadership and high intellectual agility are expected to be able to maintain business sustainability.

### **Entrepreneurial Leadership**

#### **Future orientation**

Based on the results of interviews and questionnaires, it shows that more than 50% of employees agree that business leaders have high expectations about the company's development in the future. Then the company leadership is also able to predict well the possibilities that will occur in the future even during a pandemic. In addition, the leadership is also able to inspire the workforce about the value of the company and the company's prospects in the future.

Having a future-oriented leader is the key to give enthusiasm [10,11] and motivation [12,13] to employees to be able to wake up and develop even during the covid 19 pandemic. Knowing clearly the potential of the company and being able to describe the prospects for future business development makes the company able to create strategic steps to continue to grow [15-17].

#### **Building community**

In terms of building community, a good company leader is reflected in his ability to make decisions quickly and be able to make the right policies [18,19]. Employees also agree that a good leader will always be optimistic about the company's performance in the future and then be able to direct employees to always think logically and forward.

#### **Intellectual agility of employees**

The ability to run a company is described by the leader's ability to continuously improve skills and knowledge both for himself and for all his employees.[20-23] To motivate employees, it is also necessary to provide clear challenges and career paths for each employee competency improvement.[24-26]

Company leaders must also be able to teach all employees to always be able to identify any existing problems. Then an in-depth analysis of the problem is carried out so that an appropriate solution can be found to overcome these problems. All company decisions are made jointly not only by the cooperative leader but involve all cooperative members. In this way, the progress of a cooperative is a shared responsibility.

#### **Innovativeness**

To answer the challenges of the development era, cooperatives must also be able to innovate. For this reason, it is always necessary to introduce new products or services that are tailored to the needs of consumers.

Especially during the pandemic, most cooperatives choose to reduce profits for the welfare of their members and carry out various policies that can help the economy of cooperative members. Various efforts were made to maintain the business and help the members' economy, one of which was by providing delays in credit installments for members and providing concessions related to the credit distribution system.

Innovation also needs to be done in the use of information technology in accordance with the times and the needs of members and consumers. Leaders also need to spend a lot of time making observations about developing market trends so that cooperatives are still able to compete with other business actors.[27-31]

#### 4. CONCLUSION

The cooperative and small business sectors that are developed in the face of the free market are those related to the creative and innovative industries, handicrafts, home industries, and information technology. However, the perceived obstacle in these preparations is the condition of the actors/human resources. Guidance for actors/human resources continues to be carried out by conducting education and teaching to increase the knowledge and skills of these actors, especially in mastering technology during the pandemic. Besides that, high management quality is also influenced by management education, use of information technology (such as computers and others), expertise in marketing, and others. Successful management will affect the company's performance. For small and medium entrepreneurs and cooperatives, good management is absolutely necessary, especially to improve business efficiency and effectiveness. Today, improvement in the management of MSMEs and cooperatives has begun by increasing the professionalism of the employees. Improvement of skills, discipline and service to consumers is an alternative solution. Increased access, business volume, cooperation and production can be used as indicators of the success of increasing professionalism. In an effort to increase competitiveness, the entrepreneurial spirit has a major influence in capturing business opportunities.

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