


## Which Is More Crucial in Post-Covid-19 Business: Entrepreneurial Competence or Resilience?


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**Abstract:** *In contrast to earlier crises, the COVID-19 pandemic has had a profound influence on many facets of global life. This happened to Indonesia, particularly in the economic elements of the country. The MSME sector, which is one of the cornerstones of the Indonesian economy, was severely impacted, with many going out of business due to inability to survive. The purpose of this study is to assess if entrepreneurial competency or entrepreneurial resilience have a significant impact on the performance of MSMEs following the COVID-19 pandemic. This study uses a quantitative verification and descriptive approach. Primary data obtained by collecting questionnaires from respondents. The data processed in this study were responses to questionnaires from MSME owners in Bandung City using a random sample approach, with up to 100 respondents. Statistical Package for Social Statistics (SPSS) was used for data analysis and hypothesis testing. Multiple linear regression analysis is used in this study to confirm the impact of the independent variables on the dependent variable. According to the study's findings, the entrepreneurial competence variable has no meaningful influence. In the meanwhile, the entrepreneurial resilience variable has a major impact on MSMEs' success. This study has consequences both internally (for entrepreneurs) and externally (for government and higher education).*

**Keywords:** *Entrepreneurial Competence; Entrepreneurial Resilience; MSME's Performance; Pandemic COVID-19.*

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## Introduction

Since the beginning of 2020, we have all been struggling in the midst of a pandemic like the current one caused by the COVID-19 virus. Practically all countries have been adversely hit by the global COVID-19 pandemic, especially in terms of their domestic economies. The Organization for Economic Cooperation and Development (OECD) report claims that this pandemic has implications for the threat of a serious economic crisis that would be characterized by the suspension of production activities in numerous countries, declining public consumption, a loss of consumer confidence, and falling stock markets, which would then create uncertainty. If this trend persists, the OECD forecasts that output levels will decline by between a fifth and a quarter in several nations, and consumer expenditure may drop by as much as one third (Sancono & Kertati, 2023).

According to Takeda et al., (2022) research on the state of MSMEs following the COVID-19 pandemic in eight countries, including Vietnam, Malaysia, Indonesia, Bangladesh, India, Pakistan, Lao PDR, and Mongolia, there was a decline in GDP growth in 2020. Only Bangladesh and Vietnam experienced a positive increase in GDP growth, while the opposite situation was shown by six other countries, as shown in Figure 1. This data, as seen in Figure 1, certainly threatens the Indonesian economy.



**Fig. 1.** Growth Rate: 2020 Forecast (%)

Source: Takeda et al. (2022).

Furthermore, according to a research performed by the International Labor Organization (ILO) in mid-2020 on the status of MSMEs in Indonesia, 70% of MSMEs suffered production stoppages owing to the COVID-19 pandemic, out of a total of 571 respondents. Also, ILO reports that around 63% of MSMEs do not run or even have a policy governing whether or not their employees may take paid leave. Then, as many as 90% of respondents reported having cash flow issues as a result of the COVID-19 pandemic (Syaifullah et al., 2021).

Apart from the economic sector, according to Susilawati et al., (2020) there are several sectors that are significantly affected, namely transportation, tourism, trade, health, and several other sectors, where the worst affected sectors are the home industry and MSMEs. The majority of MSMEs are engaged in 5 industrial sectors, namely food and beverage (44.9%), wood and woven crafts (19.9%), textiles and apparel (14.4%), non-metallic minerals such as flour, mica,

etc. (6.9%), and furniture (3.5%). MSMEs' income is only around 25% of the upper limit of Rp 300 million in turnover, 65% for small businesses and 59% for medium enterprises (Susilawati et al., 2020). From this information, it implies that the productivity of microenterprises is still much lower than that of small and medium enterprises, which makes them fragile and difficult to survive, let alone develop. There are also several MSME sectors that have actually increased during the pandemic, such as health products, herbal food products, and raw material products. Many MSMEs have been greatly affected by this pandemic, so MSMEs cannot carry out their usual activities.

The COVID-19 pandemic affects not only the national economy but also the regional economy, such as in West Java Province. In contrast to earlier studies, who said that many MSMEs had difficult challenges until they eventually stopped operating, the number of MSMEs in West Java province grew, especially in Bandung City. Referring to statistics from the West Java Province Ministry of Cooperatives and MSMEs (Table 1), as well as a recapitulation of the number of MSMEs in Bandung by business category and the rise in the number of MSMEs from 2017 to 2021. Table 1 shows that the culinary and food industries have the largest numbers.

**Table 1.** Number of MSMEs in Bandung City

Category	2017	2018	2019	2020	2021
	Number (Unit)				
Micro, Small, and Medium Enterprise (MSME)	365.218	387.815	411.810	437.290	464.346
Accessories	850	903	959	1.018	1.081
Batik	850	903	959	1.018	1.081
Embroidery	121	129	137	145	154
Craft	30.364	32.243	34.238	36.356	38.605
Fashion	29.635	31.469	33.416	35.483	37.679
Convection	18.097	19.217	20.206	21.668	23.009
Culinary	130.687	138.773	147.359	156.476	166.158
Food	95.586	101.500	107.780	114.449	121.530
Beverage	17.733	18.830	19.995	21.232	22.546
Service sector/Others	41.295	43.850	46.563	49.444	52.503

Source: [www.jabarprov.go.id](http://www.jabarprov.go.id) (2021).

All cities in Indonesia, including Bandung City, the capital of West Java Province, have an effect on the community's economic life. Bandung is an Indonesian city with rapid industrial growth and a creative economy, and it is also a member of the United Nations Educational, Scientific, and Cultural Organization's (UNESCO) Creative Cities Network (Raharja, 2018; Rosavina et al., 2019; Sari & Sari, 2018, 2022). Various economic sectors in Bandung were affected by the COVID-19 pandemic, including tourism, hospitality, culinary, transportation, and trade, which included micro, small, and medium enterprises (MSMEs).

Talking about MSME owners (entrepreneurs) is inextricably linked to the business world. As we all know, the challenges of running a business are classified into two types: external and internal (Sari & Sari, 2022). External difficulties are forces over which business owners have little control; they must face them and endure until they can predict these risks. Internal challenges, on the other hand, allude to business management (Sajilan, 2015). Entrepreneurship skills are required to address numerous external and internal business challenges (Sari & Sari, 2022).

The COVID-19 pandemic mentioned earlier in this article is another example of external pressure or a crisis scenario that businesses must deal with. In order to withstand the business catastrophe created by the COVID pandemic, entrepreneur must be extremely resilient. The concept of "resilience" is one that has received attention from academics and policymakers because, in essence, it is how these business people are able to manage their businesses so that

they can adapt or even resist change (Thukral, 2021). Entrepreneurial resilience is one of the entrepreneurial skills that must be owned by entrepreneurs in times of crisis. According to Fatoki (2018) study, entrepreneurial resilience has a positive and significant influence on individual and organizational success.

A businessman must be competent in order to operate their firm efficiently and even flourish. Competence is a critical component in efforts to enhance performance. Micro, Small, and Medium Enterprises (MSMEs) require entrepreneurial competence to address environmental difficulties in a dynamic business world and achieve high company (Dhamayantie & Fauzan, 2017). When evaluated through the lens of the MSMEs phenomena in Indonesia, one of which is the City of Bandung at this moment, MSMEs' performance is still extremely low and classed as poor. The poor performance of MSMEs in Indonesia is attributed to a lack of human resources (HR), or more specifically, a lack of entrepreneurial skill (Susilo, 2010). This is evidenced by MSME players' low degree of growth and mastery of knowledge as compared to management, organization, technology, marketing, and other competences required for company management (Purwidiyanti & Rahayu, 2017).

The purpose of this research is to determine if entrepreneurial competency and entrepreneurial resilience can impact MSME firm performance following the COVID-19 pandemic. Based on actual evidence from prior research, there is a gap: during the COVID-19 pandemic, many enterprises, particularly MSMEs, were unable to survive, despite data showing an increase in the number of MSMEs in Bandung City, Indonesia.

## Literature Review

### Conceptual Review

#### Small Business Performance

The continuing actions of an organization or firm can be influenced by performance. The greater the performance, the more beneficial it is to the ongoing development of an organization or firm. Sales, earnings, asset gains, and cash flow increases are the greatest ways to gauge an entrepreneurial company's performance (Hadi & Abdullah, 2018). Performance in MSMEs is the result of an individual, can be achieved with that person's activities inside the company and over a certain time period, and will be correlated with the size of the value or standard of the company that person works for.

An MSME is a trade business operated by people or business entities, which is also a qualification in this case for small or micro companies. MSMEs can take the form of individual businesses, partnerships (such as firms and CVs), or limited liability corporations. MSMEs can be categorized into two groups, according to MSMEs Law Number 7 of 2021, depending largely on business capital and yearly sales performance.

From the above understanding of MSMEs' performance, it can be concluded that MSME performance is the result of work completed as a whole and compared to work results, targets, or criteria that have been determined in advance, and will be linked to the size of the company's value or standard with the working capital and annual sales proceeds specified in the law.

#### Entrepreneurial Competence

Entrepreneurial competence is a regression of all the fundamental characteristics of a long-term entrepreneur, such as attitudes, values, beliefs, knowledge, skills (social, technical, managerial), and mental and behavioral inclinations. According to Zizile & Tendai (2018), entrepreneurial competences are "the overall capacity of an entrepreneur to fulfill their function successfully." Entrepreneurial competence refers to an entrepreneur's overall capacity to successfully carry out

their tasks. Meanwhile, other studies define entrepreneurial competence as an individual's characteristics, including personality traits, knowledge, and skills that will be directed at the effectiveness or high entrepreneurial performance that can be estimated through entrepreneurial behavior. If a good entrepreneur possesses entrepreneurial competencies, it is expected that the company's performance will be good as well (Sari & Sari, 2018).

### **Entrepreneurial Resilience**

According to Bhamra et al. (2011), resilience is defined as more than simply returning to a stable original condition after experiencing difficulties; it is about how to react to these conditions, which ultimately deal with disturbances while also creating and growing with new opportunities. Thus, resilience is important not just when situations are challenging, but also when entrepreneurs overcome them in order to expand.

Entrepreneurial resilience is characterized as a complex and interdisciplinary term with applications ranging from physical material qualities to psychological behavior, resulting in a wide range of theoretical methods and views. Entrepreneurial Resilience is a dynamic adaptation process that enables business owners to anticipate the harsh and unstable market conditions that they will confront in the marketplace (Bernard & Barbosa, 2016).. Whereas Renko et al. (2021) research defines resilience as the ability to recover from, or constructively adapt to, adversity, leading to the pursuit of personal progress. As a result, resilience is viewed as a cognitive talent that develops through time as a result of persistent risk, trauma, fear, and adversity management.

### **Theoretical Review**

#### **Resource-based view**

In order to gain a competitive advantage, the theory of Resource Based View (RBV) speaks about effective management of organizational resources (the firm's resources). According to Barney (1991) and Tehseen et al. (2019), the primary area of study or most frequently conducted research in strategic management is competitive advantage. According to the RBV model, organizational resources are priceless, elusive, unique, and crucial for creating a competitive edge Muttakin et al (2020). According to the RBV perspective, businesses can gain a competitive edge by outperforming rivals by utilizing their special resources Al Mamun et al. (2019). Unique skills can affect company performance, according to RBV proponents, if they meet two requirements. First, the organization's competencies must be valuable so that it can address threats and develop opportunities. Second, in some highly competitive situations, not many businesses possess this competency Tehseen et al. (2019).

#### **Dynamic capability theory**

Furthermore, the RBV strategy is enhanced by dynamic capability theory. By examining how companies integrate, develop, and reconfigure their internal and external firm-specific capabilities, the dynamic capabilities theoretical approach expands resource-based theory (Helfat & Peteraf, 2003). The RBV theory only "sees" from the internal perspective, yet an organization needs to be able to adapt to a changing, uncertain external environment in order to gain a competitive edge. Unexpected changes typically originate outside of the company (Sajilan, 2015). Success will go to businesses that can adjust to change (Inan & Bititci, 2015).

The authors of the proposed theory are Teece et al. (1997). According to Miles (2012), the dynamic capabilities theory focuses on how businesses alter their skills to adapt to a volatile environment in order to build and sustain a competitive advantage. According to Hadjimanolis (2000), a firm's ability to integrate, build, and reconfigure internal and external competencies to handle a quickly changing environment is known as its dynamic capabilities.

In big businesses, the idea of dynamic capacities has been extensively researched. Nevertheless, a number of other studies have started to apply it to small enterprises with various alterations to the external business environment. Dynamic capabilities are necessary for SMEs to generate value because they enable companies to recognize market opportunities and risks and to take advantage of or counteract them. Strategic analysis should center on this theoretical approach since it enhances decision-making abilities (Rashidirad & Salimian, 2020). Several studies were raised regarding the changes faced by small businesses, for example, changes in technology (Garbellano & Da Veiga, 2019; Lanza & Passarelli, 2014; Soluk et al., 2023), changes in economic conditions (Nedzinskas et al., 2013), market changes (Akenroye et al., 2020), entering the international market (AlShehhi et al., 2023; Chebbi et al., 2023), the existence of the COVID-19 pandemic (Martins, 2023; Zahoor et al., 2022).

## Empirical Review

Entrepreneurial competencies contribute considerably to the success and growth of any business (Mitchelmore & Rowley, 2010). SMEs must continually improve their entrepreneurial competencies in order to survive and thrive in today's competitive and quickly changing economy (Ng & Kee, 2013). According to certain academics, entrepreneurial competencies have an impact on business performance (Al Mamun et al., 2019; Barazandeh et al., 2015; Chandler & Hanks, 1994; Ng & Kee, 2013; Sari et al., 2022; Sari & Sari, 2018).

According to Salisu et al. (2020), resilience influences an entrepreneur's career success. Ayala & Manzano (2014) and Fisher et al. (2016) discovered that resilience can predict company success. Fatoki (2018) observed in his research that entrepreneurial resilience has a favorable and significant influence on the performance of small and medium-sized company (SME) people and organizations in South Africa. Furthermore, Sari's research on MSMEs during the COVID-19 pandemic reveals that entrepreneurial resilience has a greater influence on company success than entrepreneurial self-efficacy (Sari et al., 2022).

## Methodology

This study received primary data processing from a questionnaire survey issued to respondents. Questionnaires were either given directly to respondents or turned into Google Forms. Because the COVID-19 pandemic is still in its early stages, researchers have little leeway in obtaining primary data. This is due to the government enforcing a broad social restriction policy (Roziqin et al. (2021), therefore basic technological help (a Google form) considerably aids researchers in getting data. If a respondent does not comprehend a statement in the questionnaire, the researcher directs them by explaining it. A questionnaire survey was carried out to obtain data on the descriptions and replies of research participants to questions regarding entrepreneurial competence, entrepreneurial resilience, and business performance.

This study restricts the number of respondents with a tolerance limit for reasons of adhering to health procedures in data collecting, so that at least this research may reflect the situation of the population of MSME owners in the city of Bandung. According to statistics recorded at the Office of Cooperatives and MSMEs in West Java Province in 2021, there are 464.346 MSME owners in the City of Bandung in 2021. As a result, the researcher applied the Slovin formula to determine the number of samples that might be used to represent the population, which was 100 respondents. In this study, the sample was decided using a random sampling methodology with a basic random sampling method in which the researcher gives equal opportunity for each member of the population to be picked as a random sample without regard to the strata that exist in the population itself.

The research approach employs quantitative research as well as statistical tests that include multiple regression analysis. The regression equation model looks like this:

$$Y = a + b_{1x_1} + b_{2x_2} + \varepsilon \quad (1)$$

where Y denotes performance, “a” is a constant, “bi” denotes the regression coefficients  $X_1$  and  $X_2$ ,  $X_1$  denotes entrepreneurial competence,  $X_2$  denotes entrepreneurial resilience, and “ $\varepsilon$ ” is another component not included in the study.

The multiple linear regression test is performed in steps, beginning with validity and reliability tests and ending with the computation of the correlation coefficient, coefficient of determination, and hypothesis testing using SPSS 25.0. This study includes two independent variables, entrepreneurial resilience and entrepreneurial competence, as well as a dependent variable, company success as judged on a five-point Likert scale (1 = strongly disagree to 5 = strongly agree).

## **Measurement**

Each variable measured in this study is a variant on earlier research customized to the aims of current investigation. The measuring instrument was instantly supplied to the responder in the form of a questionnaire statement, and the validity and reliability test phase was completed to reduce the time necessary for data collection. Some of these variables were evaluated in the questionnaire using a 5-point Likert scale, with responses ranging from strongly agree, agree, neutral, disagree, and strongly disagree with the questionnaire statement provided. The next section goes through how to measure each variable (dependent and independent).

## **Dependent Variable**

The dependent variable in this study is business performance. This variable's measuring scale is based on Hadi & Abdullah (2018) research. Sales, profit, asset increase, and cash flow rise are the components of the business performance measuring scale.

## **Independent Variable**

Entrepreneurial competence is the first independent variable. This variable is measured using the following dimensions (Sari & Sari, 2018, 2022):

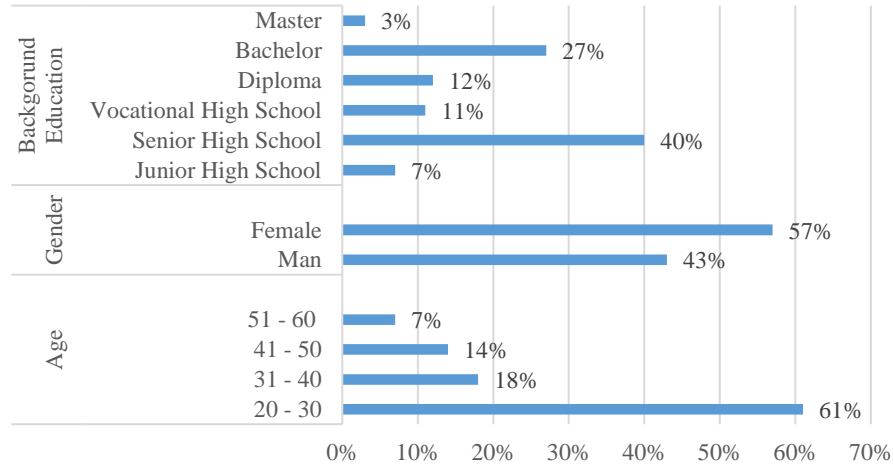
1. Personal Strength Competencies
2. Organizational Skill
3. Leadership
4. Self-management
5. Opportunity Recognition
6. Analytical and Strategic Thinking
7. Learning for continuous improvement

Entrepreneurial resilience is the second independent variable. This variable is evaluated using a research question questionnaire prepared by (Renko et al. (2021). The following statement components are used to measure this variable:

1. I look for creative techniques to deal with difficult situations.
2. I believe I can control my reaction to whatever happens to me.
3. I believe that confronting difficult difficulties will help me grow in positive ways.
4. I actively look for ways to compensate for the losses I face in life.

## Results and Discussion

The characteristics of the respondents who are SMEs in the city of Bandung is shown in Figure 2.



**Fig. 2.** Respondent's Profile

Source: Data processed by the authors, 2022.

According to Figure 2, the majority of respondents in this survey are: 61% are between the ages of 20 and 30; 57% are women; and 40% are high school graduates.

### Validity Test

The Pearson Correlation Test was used to determine the statement of the research questionnaire. If  $r_{value}$  exceeds  $r_{table}$ , the assertion is true, using  $r_{table}$  for  $n = 100$  and a significance level of 0.196. As shown in Table 2, all variable indicators (both independent and dependent) have a  $r$  value larger than 0.196, indicating that this questionnaire is valid.

**Table 2.** Validity Test

Variable	Item Code	$r_{value}$	$r_{table}$	Criteria
Entrepreneurial Competence	EC1	0.645	0.196	Valid
	EC2	0.798		
	EC3	0.825		
	EC4	0.945		
	EC5	0.687		
	EC6	0.747		
	EC7	0.886		
	EC8	0.875		
	EC9	0.843		
	EC10	0.518		
	EC11	0.805		
	EC12	0.637		
	EC13	0.777		
Entrepreneurial Resilience	ER1	0.827	0.196	Valid
	ER2	0.821		
	ER3	0.824		
	ER4	0.737		
Business Performance	BF 1	0.868	0.196	Valid
	BF2	0.874		
	BF3	0.708		
	BF4	0.800		

Source: Data processed by the authors, 2022.



## Reliability Test

Table 3 displays the Cronbach's alpha value for each variable in this study to offer information on the reliability test. If the Cronbach alpha value is more than 0.6, the indicator is regarded to be reliable. According to the reliability test findings, it demonstrates entrepreneurial competence (0.936), entrepreneurial resilience (0.806), and MSME performance (0.819).

**Table 3.** Reliability Test

Variable	Cronbach's Alpha	N of Items
Entrepreneurial Competence	0.936	13
Entrepreneurial Resilience	0.806	4
Business Performance	0.819	4

Source: Data processed by the authors, 2022.

## Multiple Regression Analysis

Entrepreneurial Competence ( $X_1$ ) and Entrepreneurial Resilience ( $X_2$ ) are used as independent variables in this study. While the performance of MSMEs ( $Y$ ) is the dependent variable, the regression equation model results are subjected to the following multiple regression analysis techniques:

$$Y = 6,612 + (-0,018)x_1 + 0,477x_2 \quad (2)$$

There are findings from SPSS version 25 calculations:  $X_1$  to  $Y$  is -0.018 and  $X_2$  to  $Y$  is 0.477. The regression equation found may be described as follows: the  $X_1$  variable has the opposite direction; in  $X_1$ , it has no influence on  $Y$ . This is due to the fact that not all MSME players comprehend entrepreneurial competency, and their firm performance might operate smoothly and even develop or progress. If entrepreneurial resilience is strong in the  $X_2$  variable, MSMEs' performance will be high, and they may even witness an increase or advancement in their business.

## Coefficient of Determination Analysis

According to Table 4, the  $R^2$  score is 0.112, or 11.2%, indicating that the variance of MSME performance is 11.2%, which is impacted by entrepreneurial competence and entrepreneurial resilience. Table 4 shows the findings of the coefficient of determination analysis:

**Table 4.** Results of the Coefficient of Determination

Model Summary									
Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.360 <sup>a</sup>	.130	.112	2.72686	.130	7.233	2	97	.001

a. Predictors: (Constant), Entrepreneurial Resilience, Entrepreneurial Competence

Source: Data processed by the authors, 2022.

## Hypothesis Testing

Partially tested the influence of entrepreneurial competence and entrepreneurial resilience on the MSME's performance. Table 5 shows some test results:

Table 5. Partial Test Results (t Test)

Coefficients <sup>a</sup>							
Model		Unstandardized Coeff.		Standardized Coeff.	t	Sig.	Hypotheses Result
		B	Std. Error	Beta			
1	(Constant)	6.612	2.168		3.049	.03	
	Entrepreneurial Competence	-.018	.021	-.083	-.880	.381	Rejected
	Entrepreneurial Resilience	.477	.128	.353	3.722	.000	Accepted

a. Dependent Variable: MSME's Performance

Source: Data processed by the authors, 2022.

Table 5 displays the results of hypothesis testing on the dependent variable (business performance) of the two independent variables (entrepreneurial competence and resilience). The  $t_{\text{value}}$  of each independent variable is the first thing we may look at. The  $t$ -value of entrepreneurial competence is  $-0.083$ , whereas the  $t$ -value of entrepreneurial resilience is  $3.372$ . The distribution table then searches for a  $t_{\text{table}}$  with a significance level of  $0.05$  and  $df = n - k - 1 = 100 - 2 - 1 = 97$ , with the  $t$ -table being  $1.984$ . The independent variable will have a positive impact on the dependent variable if the  $t_{\text{value}}$  is bigger than the  $t_{\text{table}}$ . The second thing we may look at is the significance value. To be considered very significant, the significance value must be less than  $0.05$ . According to the data in the table above, the significance value of entrepreneurial competence is  $0.381$ , whereas the significance value of entrepreneurial resilience is  $0.000$ . As a result, we may infer that: entrepreneurial competence has no impact on business performance, while entrepreneurial resilience has a positive and significant impact on business performance.

## Discussion of Findings

### Entrepreneurial Competence's Impact on MSME Performance

The preceding hypothesis testing findings show that the entrepreneurial competence variable has no influence on the performance of MSMEs. The majority of business players interviewed, according to the findings of the field study, did not grasp entrepreneurial competency. Because some of these business players lack entrepreneurial knowledge, they construct their enterprises purely on their knowledge.

Furthermore, educational background has an influence, as 58 people out of 100 business people have a low education level, including 7 junior high school students, 40 high school students, and 11 persons with an education level of vocational high school, according to the results of a study done by researchers. This results in a lack of information and skill when it comes to starting and growing a firm. According to the research findings of Tahir et al. (2018), small silk weaving business owners in Sulawesi have almost the same characteristics, namely low entrepreneurial skills, low decision quality, low ability to absorb and understand complex information, low courage to take risks, and low entrepreneurial ability in viewing and implementing business positively. These findings indicate that a business education background is an indispensable requirement for a businessman to establish a firm and be able to endure when changes occur, particularly external changes.

This contradicts the findings of (Al Mamun et al., 2019; Aliyu, 2017; Barazandeh et al., 2015b; Dhamayantie & Fauzan, 2017; Ng & Kee, 2013; Sari & Sari, 2018, 2022), who found that entrepreneurial competence had a substantial influence on performance. In reality, it is

indisputable that the capacity of entrepreneurs to survive and flourish in competition is critical to a company's existence (Hutahayan, 2019).

### **Entrepreneurial Resilience's Impact on MSME Performance**

The partial test findings on the entrepreneurial resilience variable on MSMEs' performance demonstrate a substantial influence. It is possible to infer that Entrepreneurial Resilience in MSMEs in Bandung City is of decent value. This suggests that the resilience of SMEs during the COVID-19 pandemic is excellent. This remark was also supported by the findings of interviews with entrepreneurs in Bandung about the resilience of entrepreneurship during the COVID-19 pandemic. Many modifications have happened in the business performances of numerous business actors, according to them.

This is consistent with the premise that the number of MSMEs would increase in 2021, allowing these MSMEs to survive and even grow in number as a result of other reasons such as employing electronic sales platforms and social media. According to empirical data from this survey, the majority of respondents (61%) are between the ages of 20 and 30, which coincidentally corresponds to the millennial and alpha generations, which are particularly adaptable to technological changes, even they like making use of technology (Smith & Nichols, 2015). Extreme external changes during the COVID-19 pandemic prompted their business resilience initiatives, which included transforming traditional firms into digital enterprises (promotions via social media and e-commerce platforms) (Syaifullah et al., 2021). This is confirmed by Sari's study findings, which show that instead of developing an official website, these young entrepreneurs are leveraging social media to keep their enterprises going in the face of the COVID-19 pandemic (Sari et al., 2022).

Furthermore, this study supports the findings of prior research by Branicki et al. (2018), who discovered that entrepreneurial behavior has a direct and indirect influence on SME resilience since it changes the SME approach to resilience and the consequences of SME resilience. Their article demonstrates how SMEs may adapt, and even prosper, in the face of acute uncertainty and catastrophe, despite a lack of resources normally associated with resilience.

Government aid is also critical to the resiliency of Indonesian small companies. The Indonesian government has adopted a set of measures known as the National Economic Recovery Program (Pemulihan Ekonomi Nasional, or PEN) worth 695 trillion rupiahs (US\$ 48,373.5 million) to reduce the impact of the pandemic on the performance of MSMEs. PEN assists MSMEs by providing interest rate subsidies, credit relaxation and restructuring, loan guarantee initiatives, and tax incentives (Supari & Anton, 2022).

Most of the respondents in this study have gotten government aid through the National Economic Recovery (PEN) program, however not all MSME players have received this assistance due to certain MSME actors who do not understand how to register their enterprises. Furthermore, there are individuals who are unaware of the support provided by the government's program.

Thurik & Wennekers (2004) find in their research that government policies that involve technological engagement and consumer stability will boost company performance. Some empirical research supports the influence of government policies in the success of SMEs. According Rasiyah (2002) cited by Hutahayan (2019), the government promotes the establishment of SMEs through public training and market knowledge. According to other research, external variables (government policy) have a considerable impact on internal business aspects (finance, marketing, human resources, and production technology) (Rahmi & Yuzaria, 2021).

## Conclusions

The purpose of this study is to see how entrepreneurial competence and entrepreneurial resilience affect the performance of MSMEs during the COVID-19 pandemic. Respondents are small and medium-sized company owners in Bandung. Based on the findings of multiple regression testing, it is possible to infer that entrepreneurial competence has no influence on the performance of MSMEs, however entrepreneurial resilience does. This study has various implications for both MSME owners and third-party stakeholders. The following are the ramifications for MSME owners. First, in relation to poor entrepreneurial competency, MSME owners should endeavor to develop information and insights about operating their firm, specifically entrepreneurship expertise. Attending workshops or mentoring MSMEs might help with this. Second, when it comes to business resilience in times of crisis, MSME owners can create or distinguish goods that fulfill consumers' needs and wants. Concerning the consequences for third parties, namely higher education institutions with scientific resources on entrepreneurship, they may aid MSMEs by increasing the knowledge, insight, and competencies of MSME owners through community service programs for lecturers. The government is one among the external actors with an interest in the long-term viability of MSME resilience during the COVID-19 pandemic. Indonesian government initiatives, such as the national economic recovery program, have demonstrated their ability to assist MSMEs in surviving. Perhaps the government can examine this initiative to determine if all MSMEs are given equal opportunities, and if not, more aggressive community engagement is necessary.

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