

Volume: 02 Issue: 08 | August 2021

# The Effect of Training, Digital Transformation, and Work Motivation on Employee Performance during the Covid-19 Period: A Study on Culinary UMKM Employees in Manado City

### Dwiranni Feibry Lumunon

Student of Master Management Program, Faculty of Economics and Business, Sam Ratulangi University Manado, Indonesia

#### James DD Massie

Department of Management Program, Faculty of Economics and Business, Sam Ratulangi University Manado, Indonesia

#### Irvan Trang

Department of Management Program, Faculty of Economics and Business, Sam Ratulangi University Manado, Indonesia

Received 28th May 2021, Accepted 24th June2021, Online 17th August 2021

Abstract: Almost all MSMEs including culinary businesses are affected by the Covid-19 Virus, the economy and business have decreased. This can also have an impact on decreasing employee's performance. Therefore, understanding analyzing several factors that affect employee performance such as training factors, digital transformation, and employee motivation in the MSME business sector, especially culinary during the Covid-19 pandemic, is felt to be necessary so that it becomes the goal of this research. Taking primary data from 100 employee respondents in 10 MSME Culinary restaurants in Manado City and using multiple regression analysis methods. This study simultaneously found that training, transformation, and motivation factors had an effect on increasing employee performance. If viewed separately, the digital transformation and motivation factors that affect employee performance while the training factor has no effect. These results recommend that it is necessary for business actors

and the government to continue to improve training in this Covid-19 period to be able to improve employee performance, digital-based production processes, and increase employee motivation. It is also necessary to further investigate other factors that can improve the performance of MSME employees during this Covid-19 period.

**Keywords:** Employee Performance, Training, Digital Transformation, Motivation

#### INTRODUCTION

Covid-19 because it stands for Corona Virus Disease which first appeared in 2019 in Wuhan China is a very dangerous type of SARS-Cov-2 virus because it can spread rapidly and cause death of people in a very short time. Until February 5, 2021, according to worldometers.info in newsmaker.tribunnews.com, it was written that the corona pandemic was still engulfing various countries in the world. Covid-19 cases worldwide reached 105,384,115 million cases

Volume: 02 Issue: 08 | August 2021, ISSN: 2660-6828

and deaths from this virus now number 2,292,157 million.

The number of sufferers and death rates due to the Corona Virus has continued to increase since it began to spread widely throughout the world in early 2020. In Indonesia itself, Covid-19 was first confirmed that this virus existed in Indonesia in early March 2020. Precisely on March 2, 2020 President Joko Widodo announced that there were two Indonesian citizens who were positive for the Corona Virus (News.detik.com/2 September 2020). Until February 5, 2021, it was recorded that Indonesia had 1,134,854 million positive cases of Covid-19 and 31,202 thousand patients who died in the last 11 months. This rapid transmission occurred in early 2021 where during 4-5 February 2021 there were 11,749 new cases of Covid-19 patients (Nasional.kompas.com/5 February 2021).

The existence of the Covid-19 virus has an impact not only on people becoming sick and dying quickly but also on a broad impact on people's lives and all things, not only directly related to health problems but also having a direct impact on economic factors and business ventures. From the economic side, according to the Head of the Center Macroeconomic Policy, the Fiscal Agency (BKF) of the Ministry of Finance of the Republic of Indonesia, written in the digital magazine liputan 6.com/business/economy edition of June 2, 2020, that Indonesia's economic growth in the first quarter of 2020 decreased considerably compared to the previous quarter. namely economic growth of 5 percent in the first quarter of 2019 and 4.97 percent in the fourth quarter of 2019, and in the first quarter of 2020 it decreased considerably to the position of 2.97 percent. This explains that, potential growth economyby 2.03 percent. Furthermore, it was stated by the Minister of Finance Sri Mulyani as written in the news, that Indonesia's economic growth in the first quarter which grew by 2.97 percent was caused by the COVID-19 pandemic which stopped most of the world's economic activities, including Indonesia.

We certainly do not expect the impact of the Covid-19 virus on the economy of our nation, especially by existing entrepreneurs and businessmen. The government's efforts and policies to prevent the spread of this deadly virus are felt to be able to affect production activities and business operations which in turn affect the Indonesian economy as a whole. The existence of the PSBB policy (Large-Scale Social Restrictions) or currently called PPKM (Enforcement of Restrictions on Community Activities) or also in the world called Lock Down, is the government's effort to inhibit the spread of Corona-19 in the community, but this policy has a direct impact on entrepreneurs including business actors. all regions in Indonesia.

news article finance.detik.com/newseconomy-business edition January 11, 2021, it is written about 4 major impacts of implementing strict PSBB. It was reported that with the implementation of the PSBB or PPKM to suppress the rate of Covid-19 cases which was getting higher, entrepreneurs began to get restless, and according to the Chairperson of the DKI Jakarta HIPPI DPD that this policy would shake the business world and entrepreneurs were worried that it would worsen the economic situation which would affect the world. business. It was also reported that as a result of this policy there will be several sectors that will be severely affected, namely: 1) economic growth; 2) transportation; 3) hotels; and 4) culinary business.

In addition to several businesses that are felt to be affected by these community restrictions, culinary businesses are also affected, although businesses that are perceived as businesses that will continue to exist in the community because they are related to basic human needs, namely eating and drinking. As written in finance.detik.com/NEWS-Economic-Business/11 January 2021, restrictions on the opening hours of shopping centers and shops owned by entrepreneurs and the public in general will be able to reduce trade transactions and money circulation. Moreover, there is a limit on eating at a maximum of 25% which in turn reduces the turnover of restaurant and café business actors as well as other culinary businesses.

Culinary businesses that develop in the community are generally independently managed individual businesses whose businesses are already in the form of legal entities (at least CV) or those that are still managed by families who are only limited to obtaining permits for micro and small businesses

Volume: 02 Issue: 08 | August 2021, ISSN: 2660-6828

from the local government based on Presidential Regulation No. 98 of 2014 concerning Licensing for Micro and Small Enterprises. Thus it can be said that the culinary business can be in the form of Micro, Small and Medium Enterprises (MSMEs).

MSMEs based on Law Number 20 of 2008 explained that MSMEs are small companies owned and managed by a person or owned by a small group of people with a certain amount of wealth and income. According to the World Bank, MSMEs can be grouped into 3 types of businesses, namely: 1. micro businesses with 10 employees; 2. Small business with 30 employees; and 3. Medium enterprises with up to 300 employees. Meanwhile, from a business perspective, MSMEs are classified into 4 groups, namely: 1. MSMEs in the informal sector, for example, street vendors; 2. Micro MSMEs are MSME actors with craftsmanship abilities but lack the entrepreneurial spirit to develop businesses; 3. Dynamic small businesses are SMEs that are capable of entrepreneurship by establishing cooperation and exporting; and 4. Fast moving enterprise are MSMEs that have capable entrepreneurship and are ready to transform into big businesses (MSME Business Profile Report in Cooperation with the Indonesian Banking Development Institute/LPPI and Bank Indonesia 2015). When viewed based on the number of assets and income turnover, MSMEs have differences with large businesses as shown in table 1.2 below.

Table 1.1 Criteria for MSMEs and Large Enterprises based on Assets and Turnover.

<b>Business Size</b>	Criteria		
	Asset	Turnover	
Micro	Maximum Rp.	Maximum Rp.	
business	50 million	300 Million	
Small	> Rp. 50	> Rp. 300 -	
business	million – Rp.	Rp. 2.5 billion	
	500 million		
Medium	> Rp. 500	> Rp. 2.5	
Enterprise	million – Rp.	billion – Rp.	
	10 billion	50 billion	
Big Business	> Rp. 10	> Rp. 50	
	billion	billion	

Source: MSME Business Profile Report in Cooperation between the Indonesian Banking

Development Institute/LPPI and Bank Indonesia in 2015.

In 2019, the MSME sector contributed significantly to the Gross Domestic Product (GDP) of our country, where MSMEs contributed 60% of GDP and contributed 14% to the total value of Indonesia's exports. The realization of the contribution of MSMEs to GDP in 2019 which reached 60.34% was contributed by MSMEs with the Culinary, Fashion, and Handcraft business sectors including tourism industry accessories (JawaPos.Com/7 February 2021/Ekonomi/Akumindo believes **MSME** Contribution This Year Reaches IDR 2.3 Trillion). But in 2020 after the World and Indonesia experienced the spread of the Corona-19 Virus, everything became different.

In 2020 all business and business sectors including MSMEs experienced a crisis and an alarming setback. The Coordinating Minister for the Economy of the Republic of Indonesia, Airlangga Hartanto, said in a seminar that in 2020 the Covid-19 pandemic caused the turnover of MSME business players to fall by 30%. The main problems faced by MSME actors are the difficulty of obtaining raw materials, difficulty in hampered obtaining capital, production, and declining sales or demand (cnbcindonesia.com/news/news/December 15, 2020). According to the results of a survey conducted by the Central Statistics Agency in 2020 through its report entitled "Analysis of the Impact of Covid-19 Survey Results on Business Actors" stated that the consequences of the Covid-19 Pandemic which resulted in the PSBB policy or social restrictions made 84,

There are several research results on the impact of the Covid-19 Virus on the performance of Micro, Small and Medium Enterprises (MSMEs) or in foreign language terms called Small Medium Enterprises (SMES) in 2020. Research from Alves at all (2020) in Macau, China, states that MSMEs are vulnerable to crises, but many do not know how to deal with prolonged crises such as the Covid-19 virus and MSMEs are more likely to feel the impact than large companies experiencing a decline in demand. Furthermore, research from Bartik Alexander at all (2020) in North America in 2020

# Volume: 02 Issue: 08 | August 2021, ISSN: 2660-6828

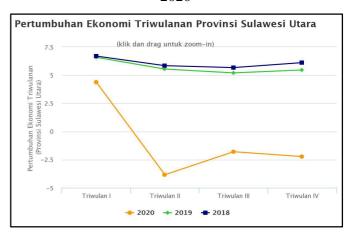
which explored the impact of Covid-19 on business, found that, due to Covid-19, business closures and mass layoffs (PHK) occurred, and this closure was due to shortages. financial problems and difficulties in obtaining income assistance.

Research from Beglaryan and Shakhmuradyan (2020) in Armenia which conducted a study of 944 employees and small business owners, found that as a result of Covid-19 employees were laid off or salaries were reduced, in addition, employees with low skills were more affected by layoffs or salary reductions. According to Alves at all (2020) in his research, he recommends that with this pandemic, MSMEs adopt a more flexible HR strategy and increase learning for management and employees. Existence of crisis survival strategies including more flexible HR strategies such as hiring and training to enhance learning for employees and management. Furthermore, research from Fitriasari conducted research by describing business models in order to survive in a crisis. This study found that in order for MSMEs to survive in a crisis, small business actors must carry out digital transformations to survive in business and create superior products and face changes in people's behavior in this pandemic era. Furthermore, research from Hamid Mahmud at all (2020) who conducted research in Bangladesh in 2020, found that covid-19 with a new normal life had a negative impact on work concentration motivation and the way small business employees communicate. The results of this study illustrate that Covid-19 has had such a big impact on small business actors and the performance of their employees.

In the city of Manado, the impact of the Covid-19 virus was also felt. Although it is not the same as cities on the island of Java where the PSBB or PPKM policies strictly limit the activities of the community and business actors, there are also Manado City and Provincial Government policies regarding the application of strict Health Protocols and restrictions on business operating hours. The year 2020 is a bleak period for the Indonesian economy, including North Sulawesi. It is felt that due to the Covid-19 pandemic, North Sulawesi's economic growth since the first quarter has

experienced a downward trend to a range below 0 percent or minus. In the second quarter the growth even reached the point of almost – 3 percent.

Figure 1.1 North Sulawesi Economic Growth in 2020



Source: sulut.bps.go.id, 2020.

For the city of Manado itself, based on data from the Manado City BPS as shown in the table below, the inflation rate of Manado City in 2020 is at a negative value. In January 2020 inflation was at -0.09 and the lowest point was in August and November at -0.65 and -0.64 inflation values. Through this table, it can be explained that due to the Covid-19 pandemic, our economy can be said to be experiencing an economic crisis.

Table 1.2 Development of Manado City Inflation in 2019-2021.

	Inflasi Kota Manado		
Bulanan	2019	2020	2021
Januari	1,09	-0,09	0,58
Februari	0,54	-0,13	0,61
Maret	-0,16	-1,03	-
April	-1,42	-1,24	-
Mei	1,14	-1,25	-
Juni	4,77	-1,06	-
Juli	3,50	-1,35	-
Agustus	1,95	-0,65	-
September	0,90	-1,01	-
Oktober	2,13	-0,91	-
November	5,50	-0,64	-
Desember	3,52	-0,18	-

Source: https://sulut.bps.go.id/indicator/3/717/1/inflation-calendar-year-manado-city.html.

Volume: 02 Issue: 08 | August 2021, ISSN: 2660-6828

Overall, the Covid-19 pandemic is felt to have had a huge impact on the new normal life of the community and for business actors, including MSMEs. For people with this virus, they are able to change the behavior of consumers who previously felt safe to consume products and food outside but are now afraid and tend to cook by themselves. As a result, the demand for food products may decrease or not buy food outside. This of course has a negative impact on business actors, especially those selling food and beverages or culinary businesses.

Most of the existing culinary or food and beverage businesses, we know, are small businesses or home businesses. There are quite a lot of businesses belonging to this type of Micro, Small and Medium Enterprises in North Sulawesi in general and the City of Manado in particular.

# LITERATURE REVIEW

## **Human Resource Management Theory**

Human Resource Management, abbreviated as HRM is part of the theory of management in general. HRM as part of the company's operational functions is related to how to manage human resources or employees who work for certain companies or businesses. According to Dessler and Diana (2015) human resource management is a process of obtaining, training, appraising and compensating employees, as well as managing employee labor relations, occupational health and safety, as well as matters relating to fairness. accepted by employees.

Furthermore, Mangkunegara (2015), states that human resource management is a planning, organizing, coordinating, implementing, and supervising the development, development, provision of remuneration, integration, maintenance, and separation of workers to achieve organizational goals. It is an important thing to be done and developed by the organization in order to maximize the company's profits and the sustainability of the business organization. Therefore, factors related to the development of human resources related to the realm of human resource management need to be carried out.

## **Employee Performance Theory**

Employee performance in this study is used as the dependent variable or variable Y. The theory of Employee Performance which is understood is part of the theory of human resource development so that it is included in the study of human resource management. There are several opinions from experts in the field of human resource management that provide an understanding of what is meant by employee performance.

According to Mangkunegara (2015), performance or in English called performance is in the form of work results both quality and quantity achieved by an employee in carrying out tasks based on the responsibilities that have been given. Furthermore, according to Dessler (2015) mentions performance as well as work performance which is a comparison between the actual performance of employees compared to the expected performance.

A slightly different opinion was stated by Hasibuan (2017), that employee performance is a work achieved by a person in carrying out the tasks assigned to him based on trust, experience, and sincerity and time. The opinions of these experts, in general, explain that performance is part of work performance and in English is called Performance, and performance is related to the results of work or work results given in accordance with the duties and responsibilities of an employee taking into account the abilities and abilities of an employee. work experience of the employee.

Furthermore, according to Mangkunegara (2015) an employee who has high performance can be seen from the visible characteristics. Among others:

- a. Have a high personal responsibility;
- b. Dare to make decisions and dare to take risks;
- c. Have a work plan and to strive to realize the goals to be achieved; and
- d. Utilize real feedback on all work activities carried out

This characteristic can be interpreted as a trait or characteristics that must be carried out when doing work to be considered to have high work performance.

# Volume: 02 Issue: 08 | August 2021, ISSN: 2660-6828

According to Wibowo (2011), employee performance is related to performance goals or objectives, performing employees are those who are able to achieve organizational goals. There are several levels of goals in a corporation when employees are able to perform well, namely:

- a. Corporate level. Performance achievements are linked to organizational values and strategic plans;
- b. Senior management level. Achievement of performance expected by management or senior leadership;
- c. Business unit level. Performance related to organizational goals/targets, projects, functions and departments and business units;
- d. Group/team level. Performance achievement is related to contribution to work group
- e. Individual level. Performance achievements are in accordance with individual duties and responsibilities including personal job satisfaction.
  - Furthermore, according to Mangkunegara (2015) for employees the objectives of implementing performance management relate to:
- a. Helping employees to understand what exactly the tasks they will do and what authority they will receive in making decisions
- b. Provide opportunities for employees to develop new skills and abilities;
- c. Recognizing barriers to improving performance and the need for adequate resources;
- d. Employees gain an understanding of work and responsibilities.
- Mangkunegara (2015) also revealed that the indicators of employee performance include:
- a. Quality of work. Regarding the expected quality of work
- b. Quantity of work. Achievement targets in doing work

- c. Discipline to work rules. Discipline in accordance with the rules or work standards
- d. Punctuality. Completion of work in a timely and timely manner
- e. Interpersonal. Personal ability in group interaction.

These employee performance indicators are used as indicators of Employee Performance Variables in this study.

# **Human Resource Training Theory**

The training factor is the first independent variable in this study. What is meant by training here is training for employees so that it is still part of the realm of human resource management. For more details, the meaning of training will be explained through the following training theories.

According to Mangkunegara (2015), training is a short-term educational process with systematic and organized procedures where employees can learn technical knowledge and skills in accordance with organizational goals. Furthermore, Dessler and Dian (2015), stated that training is a process in teaching new or existing employees including the basic skills needed for employee work.

The training for employees carried out by the organization is of course with the hope that the knowledge and skills of employees can be improved. Not only that, with training, the standards and rules of the organization can be understood by employees. According to Simamora (2004), there are 4 characteristics related to effective training practices, including:

- a. Top management must be committed to training and development and make training part of the organizational culture
- b. Training is related to business objectives and strategies, and is closely related to the achievement of company profits;
- c. In training there must be a systematic and comprehensive approach and training is carried out at all levels within the organization;

# Volume: 02 Issue: 08 | August 2021, ISSN: 2660-6828

- d. As a form of commitment to develop human resources, it is necessary to allocate sufficient funds for the implementation of employee training. Sedarmayanti (2016), explained that there are several methods in training, all of which are summarized in 2 types of training methods, namely:
- **1.** *On the job training.* Training methods that are carried out in the workplace and can be done while the job is going on. This method can be:
- a. Job exchange or rotation. Job exchanges or rotations can make employees who do not know or have not carried out a job in a certain section, they will be trained automatically when they are rotated.
- b. Guidance and counseling. In carrying out the work, employees will also be given direct guidance and counseling by supervisors or special trainers while the work is in progress.
- c. Internship. When prospective employees have not been fully accepted, the company will usually include prospective employees in an internship program or free training.
- d. Demonstration and giving examples of cases. Technical training in the form of demonstration of ways related to technical work to be carried out by employees.
- **2.** *Off the job training.* Is a training method that is carried out separately outside the place and hours of work. This method can be:
- a. Simulation. Training through live case simulation examples
- b. Role play. The training model using people as actors is exemplified.
- c. Home training. Training carried out in a special place or place
- d. Laboratory training. Training in certain laboratories
- e. Sensitivity training. Training related to interpersonal quality is carried out through an open discussion.

f. Outdoor training. Training in the field or directly on the object.

Furthermore, according to Dessler and Dian (2015) there are 5 indicators from the training, namely:

- 1. Instructor. Concerning the qualifications or competence of the instructors who provide the training
- 2. Training Participants. The desire and enthusiasm of the trainees
- 3. Training Method. The suitability of the training method with the training material provided
- 4. Training materials. Quality material according to training objectives
- 5. Training Objectives. The purpose of good training is to improve the skills and ethics of employees

These 5 training indicators are used as indicators of the training variables.

# **Digital Transformation Theory**

Currently, world change is getting faster and more massive, especially with the development of knowledge and technology, making changes and innovations happen quickly. Technology that was previously said to be expensive but is now getting cheaper in line with the increasingly low demand from the public for technology products. As a result, there is a change or shift in people's activities including business ventures caused by digital transformation.

We are currently in the Millennium era, precisely entering the 4.0 era where human movement and activities are assisted by digital transformation. This digital transformation is not only limited to technological advances but rather to changes in all integrated information systems and business systems. According to Boulton (2020) in Hadiono and Santi (2020), transformation is defined as a radical process that occurs in organizations to utilize technology, human resources, and business processes that cause the business performance of the organization to change drastically.

Volume: 02 Issue: 08 | August 2021, ISSN: 2660-6828

Furthermore, it is stated that digital transformation is a process of utilizing existing digital technologies such as virtualization technology, mobile computing, cloud computing, and integrated organizational systems through a system developed based on computing technology (Loonam, at all, 2018). According to Gardjito (2002) in Priyatna (2008), digital transformation is a change or change in the format of documents and information from physical form into a more modern information media in accordance with current technological developments and advances.

The latest opinion on digital transformation is expressed by Altimeter, Brian Solis (2014) in Perkin, Neil and Abraham, Peter (2020) that digital transformation is a readjustment or new investment in technology and business models to become more effective in engaging digital customers at every point. touch on the customer experience life cycle. It was further stated that there are three basic facts about the digital transformation, including:

- 1. Digital transformation is unavoidable, where like or like is a change that must be responded to.
- 2. Digital transformation is not only about technology, but also about strategy, process, culture, behavior, and human resources.
- 3. Digital transformation involves fundamental and comprehensive change, it is about reorganizing the way of the company and is useful for framing organizational capabilities by aiming at three main areas namely: resources, priorities and processes.

Perkin and Abraham (2020) also stated that there are three key elements that are fundamental as a formula for business agility through digital transformation adaptation, including:

- 1. Speed. The digitization process based on design and experimentation can create an accurate speed in the business innovation process.
- 2. Focus. A digitized system can encourage strategies that are directed at a clearly defined vision and mission.

3. Flexibility. Digitization makes decision management more productive, collaborative, creates an exciting new culture, and empowers organizational and individual autonomy and proficiency.

Next according to Osmundsen al all, 2018 in Hadiono and Santi, 2020, the factors or indicators of Digital Transformation are:

- 1. Regulatory changes. The change in digitization is in accordance with government regulations and has become a company strategy
- 2. Changes in the form of competition. The existence of competition makes companies carry out digital transformation of their business.
- 3. Change to the digital form of the company. The company's commitment to fully digitally transform its business
- 4. Changes in consumer behavior and expectations. The demands of consumer behavior make companies carry out digital transformations

Digital transformation in industry and business is currently happening, especially with the economic turmoil and business competition, which requires organizations to carry out digital transformations to improve performance and optimal business management. The digital transformation factors above are indicators of the independent variables of digital transformation in this study

#### **Motivation Theory**

Motivation is the third independent factor or variable used in this study. Just like the theories previously stated, motivation is also part of the theory of human resource management because it relates to the human condition as the object of human resource development.

According to Afandi (2018), motivation is a desire that arises from within a person or individual because he is inspired, encouraged, and driven to carry out activities with sincerity, pleasure and sincerity so that the results of the activities carried out get good and quality results. Furthermore, according to Hasibuan (2017), motivation is something that causes, distributes, and supports

Volume: 02 Issue: 08 | August 2021, ISSN: 2660-6828

human behavior, so that they want to work hard and enthusiastically achieve optimal results. Hasibuan (2017) states that in explaining the meaning of motivation, it can be explained through 2 groups of theories, namely content theory and process theory. Content theory or satisfaction theory consists of several basic theories expressed by several experts such as:

- a. FW Taylor's classic theory of motivation. This theory argues that humans will want to work if to meet physical needs in the form of money or goods from work or people will work hard if they get rewards.
- b. The Hierarchy of Needs Theory from Abraham Maslow. This theory states that an employee will perform well if all his needs can be met. These needs are: physiological needs, safety needs, social needs, esteem needs, and self-actualization needs.
- c. Herzberg's Two-Factor Need Theory. According to this theory, a person's motivation is determined by a balance of maintenance factors, including health, working conditions, supervision, remuneration, and benefits. Motivation will be fulfilled if there is a balance of maintenance factors.
- d. Theory X and Y from Mc. Gregor. This theory states that humans basically consist of two main traits, namely the nature of X as a lazy individual and the nature of Y as a diligent individual. To motivate employees, it must first be understood which traits are owned by employees.
- e. Mc theory. Clelland. This theory argues that employees are able to perform because they have potential energy reserves. This energy is due to: a need or motive, an expectation to succeed, and the value of the incentive to be received. The things that make employees motivated are: the need for achievement, the need for affiliation, and the need for power.
- f. The theory of motivation from Cluade S. George. This theory suggests that a person's motivation is related to the employee's working environment. The atmosphere includes: fair efforts,

opportunities for advancement, individual recognition, job security, good workplace, acceptance by the group, fair treatment, and recognition for achievements.

While what is meant by the theory of processes in motivation are: the theory of hope from Victor Vroom and the theory of justice and reinforcement (Hasibuan, 2017)

In this study, which is the basis for indicators of motivational variables, based on the theoretical definition stated by Mangkunegara (2015) that every employee is motivated to work because they want to pursue achievement, so the indicators of Motivation are adopted from McClellan's Achievement Theory in Mangkunegara (2015), that is:

- a. The need for achievement. Work because of the impetus to improve performance at work
- b. The need for power. Work healthily and responsibly to be the best employee
- c. The need for affiliation. Work because of factors in order to be recognized by leaders and colleagues.

# RESEARCH METHODS

# Types of research

In a research, usually when doing a research, it is necessary to determine the type of research to be carried out. By finding this type of research, it will be known what things will be done when a researcher will conduct a study.

This research is classified as quantitative research, especially associative research. The type of associative research according to Sugiyono (2016: 55) is a causality study or a study conducted to determine a relationship between one variable and another variable or more than two variables. This research aims to determine the effect of training variables, digital transformation, motivation have a significant simultaneous influence on employee performance, so it can be said that this is an associative type of research.

# Volume: 02 Issue: 08 | August 2021, ISSN: 2660-6828

# **Research Location and Object**

This thesis research is located in Manado City, North Sulawesi Province, namely for business actors, especially Micro, Small and Medium Enterprises or Culinary MSMEs that sell food and beverages in the form of restaurants, cake shop businesses, and homebased food and beverage businesses. As a condition, MSMEs that are used as research objects are Micro, Small and Medium Enterprises in Manado City with assets up to Rp. 10 billion and annual turnover up to Rp. 50 billion as in accordance with the MSME criteria in CHAPTER I.

# Method of collecting data

This study uses several methods to collect research data, namely:

#### **Data source**

The data in this study comes from 2 important parts, namely:

- 1. Primary data. Primary data or the most important data is data obtained directly from the object of research through the results of questionnaires or research questionnaires. It is said to be primary data because this data will later be processed in statistical tests.
- 2. Secondary Data. Secondary data or second supporting data is data to complete additional information in this study which is no less important. This primary data is in the form of theoretical studies and the results of previous research which are sourced from books or textbooks and through research journals. Some information through mass media in the form of internet browsing and information related to the development of MSMEs is secondary data.

# **Data collection technique**

In collecting research data, namely primary data and secondary data, the research will use several techniques or methods, namely:

1. Statement questionnaire. The statement questionnaire or list of statements is almost the same as the questionnaire or list of questions, but the difference is that the statement list contains

- questions to the research respondents but is a statement. For more complete statements that will be submitted to research respondents, it will be written on the statement questionnaire prepared by the researcher and as a source of primary data information.
- 2. Observation. This data collection technique was carried out as a support for secondary data information. In addition to the questionnaire statement above, it is also felt necessary to make observations or observations on the object of research, namely Culinary MSMEs in Manado City.
- 3. Documentation. The technique of collecting data by documenting or photographing the activities of the research object is felt to be important to support secondary data and support the validity of the research conducted.

# **Population and Research Sample**

# **Population**

As the population of this study, all Micro, Small and Medium Enterprises or MSMEs in Manado City, especially MSMEs in the Culinary field or Shops, Restaurants, Outlets, Outlets, Boot Counters, and Home Businesses that sell food and beverages including Dessert.

Based on data from the Department of Cooperatives and SMEs of North Sulawesi Province in 2020, especially in the city of Manado, it was recorded that the number of MSMEs was 20..834 MSME units with details: 13.094 micro enterprises, 6,277 small enterprises; and 1,463 medium-sized enterprises. However, this data does not mention in detail what types of MSMEs, so that the type of culinary business is not recorded. Therefore, because it is not known for sure the number of MSMEs, especially culinary type businesses as the object of this study, it is assumed that the population in this study is unknown.

## Sample

For this type of research with a population whose exact number is not known, it can use the calculation or formula from Wibisono in Akdon and Riduwan

Volume: 02 Issue: 08 | August 2021, ISSN: 2660-6828

(2013), which states that for this type of research and non-probability purposive sampling, the number of populations is not known for sure, then it can use the calculation the following formula:

$$N = \left[ \frac{((Za/2) \cdot \sigma)}{e} \right]^{2}$$

$$N = \left[ \frac{(1.96 \cdot 0.25)}{5\%} \right]^{2}$$

N = 96,04 dibulatkan 100

Where:

N = number of samples

Za/2 = the value of the normal distribution table at the 95% confidence level = 1.96.

s = standard deviation 25%

e = error (error limit = 5%)

In addition, according to Roscoe (1975) in Uma Sekaran (2006), a sample size is said to be quite feasible if the number is more than 30 and less than 500. Based on these calculations and reasons, the number of samples in this study was determined as many as 100 respondents of culinary MSME employees in the City. Manado.

# **Research Instrument Scale**

To get the results of statements from the research sample accurately, it is necessary to have a benchmark or standard value of the instruments or statement items submitted which are then used as data to be included in statistical tests. For this reason, the study uses a scale calculation based on the Likert principle. The Likert principle criteria for the research instrument scale:

#### Data analysis technique

In this study, several quantitative data analysis techniques were used to answer research problems, while several data analysis techniques were used:

## Validity and Reliability Test

These two tests are, in principle, the earliest tests in a statistical data testing process. If these two tests are not carried out, it can be said that this research is not good and cannot be carried out for further data testing steps.

Validity test is a test of indicators or statement items of each research variable. An indicator can be said to be valid or valid if based on the results of the statistical test the value of the Pearson Correlation Table Correlation which is the value of  $r_{count}$ smaller than the rtable value (the value of the rtable product moment distribution table) at N = the number of samples and at a significant level of 5%. In addition, to see whether an indicator item statement is valid or valid, it can be seen on the significance value of Sig. (2 tailed) each variable indicator must be below 0.05 or below 5%. If an indicator of an invalid variable is found, changes can be made to the proposed statement or can eliminate and not use the invalid indicator in the next statistical test step.

As for the reliability test is a test of the research variables as a whole. A variable is said to be reliable or can be relied upon by paying attention to the value of Cronbach's Alpha in the table Reliability Statistics, with the following criteria:

Cronbach's Alpha.	Reliability	
value	Description	
0.50	Low Reliability	
0.50 - 0.70	Moderate Reliability	
0.70 - 0.80	High Reliability	
0.90	Perfect Reliability	

#### **Multiple Regression Analysis**

This quantitative analysis is used to determine the effect of the independent variables consisting of several variables on the dependent variables. This analysis has a formula that is described in the following equation line:

$$Y = bo+b1 X1 + b2 X2 + b3 X3 ei$$

With the explanation that:

Y= is the dependent variable

 $b_o = Intercept Y$ 

 $b_{1-4}$  = Partial correlation coefficient of each variable x1-3

ei = Plaintiff or error factor.

Volume: 02 Issue: 08 | August 2021, ISSN: 2660-6828

 $X_1 \cdot X_3$  = independent variable

To assess the results of the multiple regression test on the SPSS test results, it can be seen in the Coefficientsa table in the B (beta) value section of the Unstandardized Coefficients column. The beta value is the value of the equation of the influence of the independent variable (x) on the dependent variable (y).

#### DISCUSSION

Training (x1) Digital Transformation (x2), and Motivation (x3) have an effect Simultaneous significant on Employee Performance (y)

This study found that simultaneously or together, training, digital transformation and motivation had an effect on employee performance at Culinary MSMEs in Manado City during the Covid-19 Period. The results of the simultaneous F hypothesis test provide an illustration that if the three variables, namely training factors, digital transformation, and motivation are increased by culinary MSME business actors, they will be able to improve the performance of their employees.

The results of the multiple regression test partially support the results of this hypothesis where the regression equation above shows a positive influence line for all independent variables. These results explain that the influence of all influential variables can improve employee performance. When viewed from the results of the multiple correlation test, the relationship of the three independent variables to the dependent variable is a moderate or moderate relationship. These results certainly support the simultaneous hypothesis.

Factors of training, digital transformation, and motivation are an influential unit and can improve the performance of Culinary MSME employees as found in this study. Especially during the current COVID-19 pandemic, when trying to improve the performance of their employees, MSMEs need to conduct training programs, increase use and digital transformation, and try to encourage employees' motivation to be able to perform.

# Training (x1) Has Significant Influence on Employee Performance (y)

The results of the multiple regression equation show a positive line of influence but based on the results of the t hypothesis test, it shows that the training variable has no significant effect on increasing employee performance at Culinary MSMEs in Manado City during the covid-19 pandemic. The results of this study do not agree with the results of research from Shubham RC and Anugrag KK; (2020) with the research title "A statistical impact analysis of human resource management (HRM) practices on employee performance post covid-19". This research from Shubham and Anugrag found that when COVID-19 occurred, an intensive training program that was in line with the needs of the job and changing business situations during the pandemic could improve employee performance.

The results of this study may differ from previous research journals. Of course, it is also the hope of researchers that the existence of training programs from the government during this pandemic can ultimately improve the performance of employees in MSME businesses, especially culinary. Moreover, training needs to be carried out for employees in the culinary business who require maximum service quality to consumers. The results of this study were indeed many employees answered that when they entered work at this culinary MSME business, they would attend some special training or training along with the work they were doing. Indeed, during this pandemic, it is realized that training or technical guidance from business owners is a bit limited.

Many respondents also answered that at this time they did not receive or attend training from the government. There were several culinary MSME employees who answered questionnaires and gave answers when interviewed that they did attend training from the government but that was before Covid and the training was from the Manpower Service and the Provincial MSME Cooperative Service. There are also employees who take part in online training, but that's more because it is a condition to get subsidized funds from the

Volume: 02 Issue: 08 | August 2021, ISSN: 2660-6828

government through the Central Government during this covid-19 pandemic.

The lack of training received during Covid-19 supported the results of this study which resulted in that the training variable had no significant effect on improving the performance of Culinary MSME employees in Manado City during Covid-19.

# Digital Transformation (x2) Has Significant Effect on Employee Performance (y)

The results of the regression equation and the results of the partial t hypothesis test show that the digital transformation variable has a significant effect on improving the performance of Culinary MSME employees in Manado City during this Covid-19 period. The results of this study agree with the results of research from Ulas Dilber (2019) and Winarsih, Indriastuti and Fuad (2020), who found that digital transformation in the form of the use of software and internet networks as well as the use of social media by MSME actors can improve the performance of business actors and employees in their activities.

What was stated by the owner of the Ananas Culinary Business that at first the Covid-19 was quite difficult for them because the business had to close according to the government's prohibition and after opening it experienced difficulties because the average consumer was still afraid to buy or eat on the spot. During this crisis, it is like building a business from scratch, he said. Various kinds of searches are carried out such as using social media to sell food and drinks. Food variations are posted on social media for consumers to see. Likewise for ordering food, MSME businesses, including culinary, rely heavily on existing food ordering applications. This also has an impact on the payment method, so we are forced to use more non-cash paid cars.

The results of the research stated by one of the owners of this culinary MSME explained that digital transformation in MSME businesses such as culinary was one of them during the COVID-19 pandemic, which did occur and had a big impact on their business. Likewise with employee performance as found in this study that digital transformation has a

significant effect on improving employee performance. Employees must ultimately be motivated and try to adapt to the use of digitalization in their business. Starting from the use of social media to food ordering systems and changing or transforming payments, employees increase their performance.

# Motivation (x3) Has Significant Influence on Employee Performance (y)

The results of multiple regression and partial thypothesis test results show that motivation has a significant effect on increasing employee performance at Culinary MSMEs in Manado City during this Covid-19 period. The results of this study do not agree with research from Seema Rani, Curtis P., and Jayashankar Reddy (2020); and Sembiring MJ and Fatihudin D (2020), who found that during the covid-19 period, employees experienced a decrease in motivation so that it had an impact on their performance.

What is found in this study is different where motivation has a significant effect on increasing employee performance. We all know that initially this covid-19 occurred in Manado, many business places including culinary SMEs were closed for a few weeks at first. As a result, many of these informal workers are laid off or not working. When there is a policy of a little relaxation from the government to open a business, especially when there are complaints from business owners who do not get income, business actors finally open their place of business. This certainly provides enthusiasm and motivation for employees who previously had to stop temporarily and did not get income. As a result, they are motivated to continue working, especially since the employees who come to work during the Covid-19 period can be said to be limited in number and are only chosen people. This limited opportunity coupled with the difficulty of getting a job as a result of many business places being closed makes employees or workers enthusiastic and motivated to perform. This is why the findings of this study agree with the results of the study that motivation has a significant effect on improving the performance of

# Volume: 02 Issue: 08 | August 2021, ISSN: 2660-6828

Culinary MSME employees in Manado City during this Covid-19 pandemic.

#### **CONCLUSION**

Based on the formulation of the problem and the results of the study, there are several conclusions from this study, including:

- 1. Training, digital transformation, motivation have a significant simultaneous influence on the performance of Culinary MSME employees during the Covid-19 period in Manado City
- 2. Training has no significant effect on the performance of Culinary MSME employees during the Covid-19 period in Manado City
- 3. Digital transformation has a significant effect on the performance of Culinary MSME employees during the Covid-19 period in Manado City?
- 4. Motivation has a significant effect on the performance of MSME employees during the Covid-19 period in Manado City.

#### REFERENCES

- 1. Kankaew, K., Yapanto, LM, Waramontri, R., & Arief, S. (2021). Uncertain Supply Chain Management Supply chain management and logistics presentation: Mediation effect of competitive advantage. 9, 255–264.https://doi.org/10.5267/j.uscm.2021.3.007
- 2. Adhitama J. and Riyanto S; 2020; Maintaining Employee Engagement and Employee Performance during Covid-19 Pandemic at PT Koexim Mandiri Finance; Quest Journal Journal of Research in Business and Management; ISSN Online 2347-3002.
- 3. Akdon and Riduwan (2013), Formulas and Data in Statistics Applications, Bandung: Alfabeta.
- 4. Alves JC at all; 2020; Crisis management for small business during the Covid-19 outbreak: survival, resilience and renewal strategies of firm in Macau; Researchsquare; https://doi.org/10.21203/rs.3.rs-34541/vi

- 5. Bartic Alexander W at all; 2020; The impact of covid-19 on small business outcomes and expectations; working paper 20-102 Harvard Business School.
- 6. Beglaryan M and Shakhmuradyan G; 2020; The impact of covid-19 on small medium-sized enterprises in Armenia: Evidence from a labor force survey; Small Business International Review; 2531 0046/https://doi.otg/10.26784/sbir.v412.298
- 7. Bps.go.id (2021), Report on the Impact of Covid-19 Survey on Business Actors, ISBN: 978-602-438-350-3, Publisher BPS RI
- 8. CNBCIndonesia.Com (2020), Sadly, MSME Turnover Down 30% during the Covid-19/December 15, 2020 Pandemic Masa
- 9. Detiknews.com (2020), 6 months have passed, when did the corona actually enter Indonesia? News.detik.com/berita/2 September 2020.
- 10. Dessler and Diana (2015), Human Resource Management Edition 14, Translation Edition, Salemba Empat Publishers, Jakarta
- 11. Finance.detik.com (2021) 4 Big impact of strict PSBB implementation, detikfinance/business economic news/11 january 2021
- 12. Fitriasari, F; 2020; How do small and medium enterprises (SME) survive the Covid-19 outbreak?; Journal of Economic Innovation; E-ISSN 2686-3804
- 13. Gigauri Iza; 2020; Influence of Covid-19 Crisis on Human Resource Management and Companies' Response: The Expert Study; International Journal of Management Science and Business Administration Volume 6, Issue 6,
- 14. September 2020, Pages 15-24 DOI: 10.18775/ijmsba.1849-5664-5419.2014.66.1002 URL: http://dx.doi.org/10.18775/ijmsba.1849-5664-5419.2014.66.1002
- 15. Hadiono Kristophorus and Santi Rina CN (2020), Welcoming Digital Transformation,

- Volume: 02 Issue: 08 | August 2021, ISSN: 2660-6828
- SENDIU 2020 Proceedings, ISBN: 978-979-3649-72-6
- 16. Hamid Mahmud at all; 2020; Impact of coronavirus (covid-19) and employees' reaction to changes on employee performance of Bangladesh; The international journal of business and management/research gate; ISSN 2321-8916; DOI: 10.24940/theijbm/2020/v8/i8/BM2008-013\
- 17. Hasibuan, Malay SP. (2017), Human Resource Management. Revised Edition. Jakarta: Earth Literacy.
- 18. Jawa Pos.Com (2021), Akumindo Believes MSME Contribution This Year Reaches Rp. 2.3 Trillion/Economy/7 February 2021
- 19. Jacob Prochazka at all; 2020; Data on work-related consequences of Covid-19 pandemic for employees across Europe; Data in Brief (2020) 106174 elsevier.com; https://doi.or/10.1016/j.dib.2020.106174
- John Karr, Katherine Loh and Andre Wirjo;
   2020; Supporting MSME's Digitalization Amid
   Covid-19; APEC Policy support unit policy
   Brief No 35 July 2020
- 21. Indonesian Banking Development Institute and Bank Indonesia (2015), MSME Business Profile Report 2015.
- 22. Lingfeng Bao at all; 2020; How does Working from Home Aect Developer Productivity? A Case Study of Baidu During the COVID-19 Pandemic; Empirical Software Engineering manuscript
- 23. Liputan6.com (2020), First Quarter 2020 Economic Growth is a Picture of Losses Due to Corona, liputan6/business/economy/2 June 2020.
- 24. Mangkunegara Prabu (2015), Company Human Resource Management, PT. Rosdakarya Youth, Bandung.

- 25. Mathis RL and Jackson JH (2002), Human Resource Management, Translation Edition, Salemba Empat, Jakarta
- 26. Mustajab at all; 2020; Working from Home Phenomenon as an Effort to Prevent COVID-19 Attacks and Its Impacts on Work Productivity; The international journal of applied business/TIJAB; e-ISSN 2599-0705
- 27. Panisoara at all; 2020; Motivation and Online Continuance Intention towards Instruction among **Teachers** during the COVID-19 Pandemic: The Mediating Effect of and Technostress: international Burnout journal of environmental research and public health; doi:10.3390/ijerph17218002
- 28. Perkin, Neil and Abraham, Peter (2020), Digital Transformation for Business Agility. Indonesian Language Publisher, PT. Gramedia Widiasarana Indonesia, Jakarta Indonesia
- 29. Priyatna Andri (2008), Digital Transformation as a Process of Preserving Intellectual Information Content (Case Study at the National Library of Indonesia), Thesis of the Department of Library and Information Sciences, Faculty of Cultural Sciences, University of Indonesia.
- 30. Priyono, Moin Oktaviani Putri; 2020; Identifying Digital Transformation Paths in the Business Model of SMEs during the COVID-19 Pandemic; Journal of Open Innovation; doi:10.3390/joitmc6040104
- 31. Seema Rani, Curtis P., and Jayashankar Reddy; 2020; A Study on Work from Home, Motivation & Productivity of Employees in Indian Population during COVID-19 Pandemic
- 32. Sedarmayanti. 2016. Human Resource Management Bureaucratic Reform And. Civil Servant Management. Bandung: PT. Aditama Refika.

- Volume: 02 Issue: 08 | August 2021, ISSN: 2660-6828
- 33. Sembiring MJ and Fatihudin D; 2020; Banking Employee Performance During the Covid-19 Pandemic: Remuneration And Motivation; Journal of Xi'an University of Architecture & Technology; Volume XII, Issue VII, 2020 ISSN No: 1006-7930
- 34. Shubham RC and Anugrag KK; 2020; A statistical impact analysis of human resource management (HRM) practices on employee performance post covid-19; International research journal of engineering and technology (IRJET); e-ISSN 2395-0056
- 35. Sudjana Djudju (2007) Education and Training, Educational Science and Applications, Part 4 Cross-Sectoral Education. FIP-UPI **Educational Science Development Team**
- Tribunnewsmaker.com (2021), Total Covid-19 36. Cases Reached 105 Million, Watch the UPDATE of the World Corona Virus today 5 February 2021,

- newsmaker.tribunnews.com/kesehatan/5 February 2021.
- 37. Review Dilber; 2019; Digital Transformation Process and SMEs; Procedia Computer Science Journal 158 (2019) 662-671
- 38. Winarsih, Indriastuti and Fuad; 2020; Impact of Covid-19 on Digital Transformation and Sustainability in Small and Medium Enterprises (SMEs): A Conceptual Framework; Springer Nature Switzerland AG 2021 L. Barolli et al. (Eds.): CISIS 2020, AISC 1194, 471-476, 2021. https://doi.org/10.1007/978-3-030-50454-0 48
- 39. Kankaew, K., Yapanto, LM, Waramontri, R., Arief, S., Hamsir, Sastrawati, N., & Espinoza-Maguiña, MR (2021).Supply chain management and logistics presentation: Mediation effect of competitive advantage. Uncertain Supply Chain Management, 9(2), 255–264.

https://doi.org/10.5267/j.uscm.2021.3.007