

Agility Performance on Employees Affected by Termination

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ABSTRACT

This article aims to determine the conditions of employees affected by layoffs at a garment company and able to survive during the Covid pandemic - 19 by looking at the opportunities that exist. Garment companies carry out layoff policies due to the sluggish economy due to the Covid-19 pandemic. This is important to discuss because during Covid-19 the number of layoffs (Terminations of Employment) at the Garment factory increased but by taking advantage of the opportunities there were employees affected by layoffs were able to build SMEs. This study uses a qualitative approach with literature reviews, interviews, and focus group discussions (FGD) with the owners and managers of these SMEs and interviews were conducted on October 7, 2022. The results of this study show that employees are affected by layoffs are able to survive the Covid-19 pandemic. 19 by looking at the strengths, weaknesses, opportunities and threats. The employee saw an opportunity by establishing the SMEs in the fashion sector, especially women's accessories.

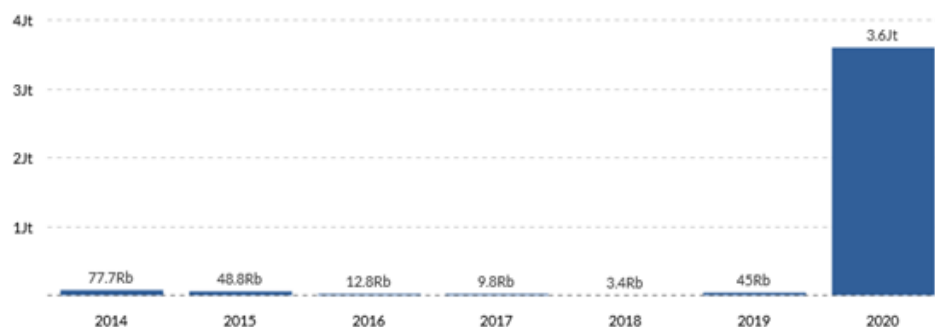
Keywords: Agility, Covid-19, Layoffs, SMEs, SWOT.

INTRODUCTION

The Covid-19 pandemic that occurred in 2019 had a major impact on companies or agencies in various countries, including Indonesia. The government's efforts to suppress the spread of Covid-19 are by implementing the Large-Scale Social Restrictions (PSBB) policy. This policy is written in Regulation of the Minister of Health Number 9 of 2020 concerning termination of workplace activities that are not related to defense and security services, health services, economy, finance, communications, industry, food needs, export import, distribution, fuel oil and gas as well as other basic needs.

The implementation of the PSBB policy certainly has an impact on domestic companies in Indonesia. This raises the company's internal problems in the production process of goods and services. This policy also caused economic turmoil in the community so that people's purchasing power decreased. The delay in the production process of goods and services and the decline in people's purchasing power have prevented companies from maximizing profits. As a result, the company was forced to terminate employment (PHK). Based on Law Number 13 of 2003 concerning Manpower, layoffs are the termination of an employment relationship due to a certain matter which causes the end of the rights and obligations between workers and employers. According to Moslem (2020), layoffs carried out by a company aim to maintain the sustainability of its business. Dismissal of employees is caused by the limited ability of the company to fulfill its interests. According to BPS data, in 2019-2020 there was an increase in layoffs in Indonesia. In 2019 as many as 45,000 employees were affected by layoffs and increased in 2020 to 3,600,000 employees. The company's decision to do so raises various impacts, one of which is in the economic field.

Figure 1. Graph of Indonesia's 2014 - 2020 Layoff Figures



Reductions in manpower occur in companies in various fields, including *garment companies*. Layoffs carried out by garment companies certainly have an impact on the lives of employees. Even though the impact of layoffs is seen as negative for some people, in reality there are people who can see opportunities in the midst of the co-19 pandemic. The community's use of opportunities during a pandemic is proven by data from the Bappeda of the Special Region of Yogyakarta Province which was published in 2022 showing that there was an increase in SMEs by 73. This significant increase in SMEs is in line with the theory according to Aghina et al. (2018) state that agility refers to human resources in a cohesive community that is oriented towards an entrepreneurial culture and *servant leadership*. Agility can also be seen from the attitude of human resources to innovate. One of these innovations through product development or adjustment can increase sales volume by serving different customer segments, thus overcoming their cash flow problems due to the pandemic (Kang, Diao, & Zanini, 2020).

Over the last few decades, small and medium enterprises and entrepreneurship have been considered as the panacea for almost all fields (Kloosterman, 2003; Deakins, Morrison, & Galloway, 2007). Entrepreneurial interest is a state of mind that consciously directs experience and action towards an object (goal) or a way to achieve it (Bird & Jelinek, 1989). According to Wu and Yuan (2008) interest in entrepreneurship is the fruit of someone's thoughts where the person wants to create a new organization or encourage new values in an existing organization. Hamel (2000) argues that innovation has a major role in establishing a business, not more than just a strategic component of a business but as one of the focuses of the success of the business. According to Fu'adi, Eko, and Murdani (2009), interest in entrepreneurship is a feeling of desire, a feeling of being attracted, and the availability of something to work hard or be strong-willed to try to make ends meet, without fear of risks that will occur, can accept challenges, is confident, creative and innovative and have the ability and skills to meet needs. According to Jusmin (2012), entrepreneurship can be interpreted as a process of creative and innovative abilities which serve as the basis, tips, and resources for success.

One real example of dexterity is the information obtained from *garment employees* affected by layoffs. He tries to make ends meet by establishing SMEs. The former garment company employee saw a phenomenon that could become an opportunity for an SME to start. This phenomenon is based on the Indonesian government's decision to implement a co-19 control policy known as 3M, washing hands, wearing masks and maintaining distance. The obligation to wear masks is an opportunity because the number of medical masks is still limited and sold at high prices. The SMEs's first product was a cloth mask. Cloth masks are an alternative to medical masks.

A study conducted by PWC in Sakitri (2021) states that adaptability is the key to dealing with future changes. Being adaptive in this case is not only needed to be ready to make changes, but also to be able and continuously motivated to learn competencies and explore new experiences. The increase in the number of layoffs during Covid-19 and the increase in SMEs is a new phenomenon in today's life. This made researchers interested in conducting research to find out the condition of employees affected by layoffs with their agility performance. Employee conditions are seen based on the Strength, Weakness, Opportunity, Threats (SWOT) analysis during the Covid-19 pandemic.

LITERATURE REVIEW

Swot Analysis

In a company or organization, of course, you want a successful and growing business. In the process of bringing success to the business, of course, a decision is needed which will affect the company/organization in the future. The importance of information in a company/organization to identify opportunities and risks that will be faced by the company/organization. In identifying the opportunities and risks that will occur, the company/organization needs to make a careful plan that the company/organization will carry out in the future. One of the tools that many companies/organizations use in the planning process is conducting a SWOT analysis. As Sosial (as cited in Nasel & Hermawan, 2021), explain that the SWOT analysis is a technique for evaluating a business's competitive position by considering four factors: strengths, weaknesses, opportunities, and threats

SWOT is a tool for conducting strategic planning and strategic management within a company/organization (Robinson, 1997). SWOT analysis is an important component in strategic management. "SWOT analysis is a simple yet powerful tool for measuring an organization's resource capabilities and deficiencies, their market opportunities, and external threats to their future" (Thompson & Meyer, 2007). The function of the SWOT

Analysis is to obtain information from the situation analysis and separate it into internal issues (strengths and weaknesses) and external issues (opportunities and threats), (Ferrell & Harline., 2005). SWOT stands for 'strengths', 'weaknesses', 'opportunities' and 'threats'. In the SWOT analysis there are two dimensions that are analyzed, namely, Internal and External. In the internal dimension, the strengths and weaknesses of the organization are analyzed, while in the external dimension, the opportunities and threats are analyzed.

Agility

According to the Agile Business Consortium (2017), organizational leaders have a major role in establishing an agile culture. In forming an *agile* culture, creative and innovative leaders are needed. In addition, leaders need consistent implementation in overall organizational development to create organizations that are agile and agile in the face of uncertainty.

Agile organizations are designed to lead to stability and dynamism. This paradigm describes a dynamic system that will make the organization flexible and responsive to emerging opportunities and challenges (Aghina, Smet, & Weerda, 2015). Organizational agility is formed from a group of teams that are oriented to organizational human values that demonstrate fast learning and decision-making processes, utilize technology and are based on a commitment to common goals to create value for *stakeholders* (Darino, Sieberer & Vos, 2019).

According to Jardon and Lureiro (2013) in organizations, humans are the main operational driver for the company and are a factor of competitive advantage that can help achieve company goals and vision. According to Dyer and Shafer (2003) there are 3 main aspects that need to be cultivated in humans to become agile. The first one is proactive is a person who likes to initiate an activity in the organization. The second is Adaptive means a person who dares to take a simultaneous role in the organization. The last is Generative, it is a person who has the desire to continue learning new things. Agility has an important role in the organization, namely:

1. Welcoming the new normal era and a future that is tightly packed with change, uncertainty, complex and ambiguous;
2. Able to continue to be motivated to learn competencies and explore new experiences;
3. Accelerate beneficial growth for the organization and create a new generation of potential and skilled.

Thus, agility is an important thing to do by every organization. Because a dynamic and efficient system is the essence of the process towards an agile organization. The combination of strong organizational culture and leadership opens opportunities for systematic agility values.

RESEARCH METHOD

This study uses a qualitative approach. This qualitative research method is often called naturalistic research because the research takes place in natural conditions (natural environment). The data sources that the researchers obtained in this study consisted of two types of sources, namely: primary data sources, data obtained both from individuals, such as the results of a questionnaire survey. The primary data source for the researchers was direct interviews with the owners and managers of these SMEs and the interviews were conducted on October 7, 2022. Secondary data sources were data obtained from records, government reports, books, etc. In this study, researchers collected data through literature studies, interviews, and focus group discussions (FGD).

Data analysis activities are data reduction, data presentation and drawing/verifying conclusions.

RESULTS

Dexterity Performance for Employees Affected by Termination of Employment (PHK) in SMEs

Based on the conclusions from the theory that has been stated, agility is the ability to be able to change the direction of movement or action in seeing the challenges and opportunities that occur. According to Dyer and Shafer (2003) there are 3 main aspects that need to be cultivated in humans to become *agile*, namely proactive, adaptive and generative. This is in line with the facts, after the researchers interviewed the owners of SMEs. An interview was conducted with one of the owners because he has experience as an employee affected by layoffs. Initially he worked in a garment company engaged in the fashion sector by producing women's shirts and blouses. Has worked for approximately two years since 2018 in the production department, more specifically Quality Control (QC) staff and sometimes as finishing staff. When he was first recruited, he received three months of training beforehand. In those three months, trainers teach new employees how to operate various machines and how to produce women's blouses. Therefore, she already has a basis or provision in the sewing world, especially women's fashion.

But in 2020 when the Covid-19 pandemic hit Indonesia, the company where he worked experienced a decline in production because the level of demand for purchases from foreign consumers dropped drastically. This resulted in a massive reduction in staff and he was affected by layoffs. Even though initially he was only sent home temporarily, the company's condition was no longer stable to finance such a large operation. SMEs owners, employees who were affected by layoffs were provided with a severance pay of 1.8 million according to the minimum wage at that time.

Even though the impact of layoffs is seen as negative for some people, in reality there are people who can see opportunities in the midst of the co-19 pandemic. He tries to make ends meet by establishing SMEs. The former garment company employee saw a phenomenon that could become an opportunity for an SME to start.

SWOT Implementation in SMEs

In accordance with the theory that has been mentioned, the function of the SWOT analysis is to obtain information from the situation analysis and separate it into internal issues (strengths and weaknesses) and external issues (opportunities and threats), (Ferrel and Harline, 2005). SWOT implementation can provide information regarding strategies and identify problems in these SMEs. The components of *strengths* and *weaknesses* can be analyzed by looking at the internal factors of SMEs.

The results of an interview with one SMEs owner said that he already had basic skills in women's fashion and was familiar with how to operate a sewing machine. These skills were obtained when he underwent training and worked in a *garment company*. This can be an important component of *strength* when setting up a SMEs in the field of women's accessories. While *weakness* can be seen from the limited capital. Limited capital because part of the amount of severance pay is used to fulfill daily life. As a result, the business was unable to produce products on a large scale even though at that time the demand for products was increasing. Other components are in the form of *opportunities* and *threats*. Both of these components can be analyzed by looking at external factors. External factors can arise from phenomena or turmoil events in society.

The results of the interviews show that SME owners see opportunities from government policies that issue 3M orders, keep their distance, wash their hands, and wear masks. At the time the policy was in effect, there was a shortage of medical masks in Indonesia. The phenomenon of the increasing purchasing power of medical masks while the price of medical masks is still relatively high has made this SME owner see an opportunity. With the skills he got from a garment company, he tried to make cloth mask products. The shape and size of cloth masks are adjusted to medical masks so that consumers feel safe and comfortable when wearing them. Then came the first product from the SMEs in the form of a cloth mask.

The components of *threats* (threats) can be seen from competitors, SMEs that produce the same type of product. Based on the interview results, the owner admits that competing with competitors is not an easy thing. The many shapes and models of cloth masks make owners have to immediately innovate with their products. An unstable economy is also a threat factor for these SMEs. Purchasing power which tends to fluctuate makes cash flow unstable. Various ways have been carried out so that SMEs can develop amid the co-19 pandemic. One way is to market products through social media and online marketplaces. Product advertisements on social media take advantage of influencers who do not incur advertising costs and SME owners only send a number of products to influencers. Then on the online marketplace, product information tends to spread quickly because people are looking for safe and comfortable alternatives to shop without having to leave the house.

DISCUSSION

Implementation of SME Owner Dexterity in Developing Their Business

According to Holbeche (2015), being an *agile organization*, which is continuously able to adapt the direction of business strategy to an environment that is experiencing consistent changes in various aspects, is an important factor for sustainable business success. In the new normal era, people started traveling and doing their activities as usual. The need for cloth masks began to decline because the availability of medical masks began to increase and the prices tended to be cheaper. This phenomenon makes SME owners see other opportunities. The community, especially their early to late teens, began to travel to places that were previously closed during the Covid-19 pandemic. After the need for masks has been met, various kinds of accessories or women's fashion equipment that they need for traveling appear. Thus giving rise to new ideas for SMEs owners to develop women's accessories products. Capital obtained from cash flow turnover selling cloth masks. The accessories produced are bucket hats or wide-leaf beach hats.

According to sales data shared by SME owners, it turns out that bucket hats are a superior product. Sales have reached thousands with marketing methods through social media and online marketplaces. Then came other products, namely women's fashion in the form of blouses and pashmina, but these products had low sales. According to the last interview with the SME owner, he is now trying to develop his product by making *tote bags* or bags that are rectangular in shape. The idea for developing this product was due to seeing opportunities from educational institutions such as schools and universities which have started implementing offline or offline learning.

According to the researcher's opinion, the researcher agrees with the way SMEs owners see opportunities in every new phenomenon that occurs in society. This is evident from the increase and development of SMEs during the Covid-19 pandemic. However, it is better if the type of product is not too different from before. Blouse and pashmina production that did not experience significant sales should be an evaluation so that SMEs

focus on choosing product development, not just following community phenomena but also preparing products according to community interests.

CONCLUSION

After collecting information and theories regarding agility performance in employees affected by layoffs, the conclusion that can be obtained is that dexterity is very important in facing the speed of changing times. Based on the conclusions from the theory that has been stated, agility is the ability to be able to change the direction of movement or action in seeing the challenges and opportunities that occur. According to Holbeche (2015), being an agile organization, which continues to be able to adapt the direction of business strategy to an environment that experiences consistent changes in various aspects, is an important factor for sustainable business success. As an SME owner who has been affected by layoffs, the awareness to start a business feels right by looking at the demand for goods from the community.

In accordance with the theory that has been mentioned, the function of the SWOT analysis is to obtain information from the situation analysis and separate it into internal issues (strengths and weaknesses) and external issues (opportunities and threats), (Ferrel and Harline, 2005). Initially she worked in a garment company engaged in the fashion sector by producing women's shirts and blouses but was able to apply these skills into a business opportunity. The components of threats (threats) can be seen from competitors, SMEs that produce the same type of product.

According to the researcher's opinion, the researcher agrees with the way SMEs owners see opportunities in every new phenomenon that occurs in society. Blouse and pashmina production that did not experience significant sales should be an evaluation so that SMEs focus on choosing product development, not just following community phenomena but also preparing products according to community interests.

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The authors declared no potential conflicts of interest

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