Empowerment Processes, Programs, and Outputs in Increasing Self-Efficacy and Their Influence on Individual Performance

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Abstract---After the second wave of the COVID-19 pandemic in Indonesia, the MSME business sector was significantly affected, data from the Ministry of Manpower and BPJS Employment in August 2021 explained that there were 2.8 million workers who were directly affected by COVID-19. They consist of 1.7 million formal workers who have been laid off and 749.4 thousand have been laid off. Based on the results of observations in August 2021, there MSME sectors in Indonesia that have been hardest hit, namely MSMEs in transportation, services, and tourism. To deal with the current pressures of difficult economic conditions, it takes a high level of self-efficacy from MSMEs to rise from adversity, rebuild affected businesses by empowering themselves through programs, processes, and outputs, these three factors are determinants of MSME self-efficacy carried out to improve return market demand. Through explanatory research, 400 samples were taken. The study aimed to determine the role of program empowerment, process, and output on MSME self-efficacy and their effect on increasing market demand using quantitative methods. Results show a positive and significant effect of programs, processes, and empowerment outputs on increasing market demand through MSME self-efficacy and empowerment output to increase market demand through MSME self-efficacy.

Keywords---COVID-19, empowerment, market demand, performance, self-efficacy.
Introduction

The Indonesian Ministry of Manpower (Kemnaker) recorded that 1.9 million formal and informal workers experienced layoffs and were laid off by 114,340 companies in Indonesia until April 16, 2020. This number was increasing rapidly, whereas on April 11, 2020, the number of workers who were laid off and affected by layoffs have only reached 1.5 million people. This figure is an increase compared to April 9 data which was only about 1.2 million workers, of this 1.5 million people, 10% were workers who were laid off. While 90% of them are laid-off workers, the wave of layoffs peaked in June 2020, with workers in the tourism and service sectors being the most affected. Meanwhile, the government will prioritize those who have been laid off along with informal workers and micro, small and medium enterprises (MSMEs) affected by COVID-19, as recipients of the Pre-Employment Card program (Rifai & Meiliana, 2020).

Rahmayanti & Hermawan (2016), state that most individuals will experience stress when faced with termination of employment because the income earned will stop, there is a decrease in physical strength, feelings of loneliness, and quitting various fun activities and this results in a change in one's life and requires a new adjustment for the individual. The ability to continue living after adversity or after experiencing severe pressure and increasingly difficult situations is not a fortune. Apart from social support, a factor that can affect resilience is self-efficacy. This is related to the concept of self-efficacy (Amichai-Hamburger et al., 2008; Scheyvens, 1999).

Bandura (1997), self-efficacy is a person’s belief that he will perform the actions required in a task, because they believe they will try to achieve their goals. Self-efficacy affects thinking processes, motivation levels, and feeling conditions, so all of these play a role in the type of performance of individuals who have low self-efficacy will find it difficult to motivate themselves and tend to run away from tasks, relax their efforts or give up in the early stages of obstacles encountered. For individuals who have high self-efficacy, difficult tasks are seen as challenges to be faced rather than as threats to be avoided. They try to stay committed to their goals, have a high level of effort, and have a strategy for possible failures (Bandura, 1997).

The internal drive possessed by the individual is in the form of motivation to be able to rise from the problems encountered after experiencing a problem, this is an attempt by the individual to be able to solve problems and achieve the goals desired by the individual, known as self-efficacy. The government, through the Ministry of Manpower (Kemnaker), held training for the Corona Virus Disease (COVID-19) response. The training was carried out as an effort to empower, prevent and deal with the impact of COVID-19. Through COVID-19 response training at the BLK (Job Training Center), the Ministry of Manpower (Kemnaker) seeks to empower the community, MSMEs, job seekers and workers who have been laid off (Termination of Employment) and who have been laid off due to being affected by COVID-19. The training programs developed at BLK or BPP, namely cooking training programs; manufacture of PPE (hazmat) clothes, masks, face shields, hand sanitizers/disinfectant liquids; training on sink installation and COVID-19 crate making. The government held this COVID-19 response training
aimed at empowering communities affected by the spread of COVID-19 and increasing economic resilience through the provision of incentives in the form of training allowances (Tetro, 2020; Kim & Su, 2020).

The COVID-19 program has been carried out by the Work Training Center (BLK) and the Productivity Improvement Center (BPP) since mid-March 2020, and phase I has been produced and distributed. Phase II and most of the results have already been distributed. For phase III until June 2020. The number of BLK and BPP participating in the COVID-19 response training is 19 BLK UPTP; 2 BPP UPTP; 129 UPTD BLK and 4 Community BLK. The training considers the health protocol, PSBB and other government policies/regulations, so the training method used is in the form of online training; blended training; distance training and offline training. The COVID-19 response training aims to make the victims of layoffs and MSMEs whose sectors are affected into empowered MSMEs, as evidenced by the production results of these assisted MSMEs in the form of 2,097,500 masks, 64,800 face shields, 136,250 liters of hand sanitizer, and protective clothing. 56,000 pieces of personal protective equipment (PPE)/Hazmat, 318,000 rice boxes, 1,584 COVID-19 sinks, 50 COVID-19 crates and 82,940 liters of disinfectant. The production results from the training are used/used by the community to cope with the spread of COVID-19, including for hospital and Puskesmas staff; TNI and Polri officers; COVID-19 Handling Command Post and BNPB; medical/health worker associations; COVID-19 handling volunteers; public road and motorcycle taxi drivers; market and street vendors; government/private agency employees/employees; and security officers from ministries/agencies, local government agencies and the private sector.

The government’s efforts to improve the economic improvement of victims of COVID-19 layoffs in its implementation are still a public question, the question is the suitability of the implementation of the empowerment program with the initial goal of increasing economic improvement through market demand. Osmani (2000), defines empowerment as a condition in which people who are powerless create a situation in such a way that they are able to express their wishes and at the same time they feel involved in activities related to government. States that community development is something that has the center of attention as an effort to help people at various levels so that they can grow and develop by utilizing all facilities and facilities both in acting, planning, managing and developing their physical environment so that social welfare can be achieved. Rahmayanti &
Hermawan (2016), community empowerment will be more successfully carried out on individuals who have high self-efficacy so that the program's goals will be achieved, and will ultimately reduce poverty levels (Freeman, 1979; Hedegaard et al., 2017).

Gibson et al. (2017), states several principles that need to be considered in the community empowerment process when viewed from the perspective of social work including: empowerment is a collaborative process, empowerment places the community as a competent actor or subject, the community must see themselves as an important agent who can affect change, competence is acquired or sharpened through life experience, solutions that come from specific situations, must be diverse, informal social networks are an important source of support for tension reduction, people must participate in their own empowerment, the level of awareness is the key in empowerment, involves access to resources and the ability to use these resources effectively, dynamic, synergistic, constantly changing, evolutionary; problems always have various solutions and finally empowerment is achieved through personal structure and parallel economic development (Chandler & Hanks, 1993; Herron & Robinson Jr, 1993).

The government, in this case the Ministry of Manpower and Transmigration, has issued a large budget for this empowerment program, referring to the Regulation of the Minister of Manpower of the Republic of Indonesia Number 13 of 2020 where the total budget is more than 5 billion Rupiah. COVID-19 wave, research is needed to analyze the role of empowerment from the Ministry of Manpower and Transmigration as a determinant of self-efficacy and its influence on MSME performance in Indonesia. The phenomenon of these problems is the background for writing this research entitled: "Determinants of Self-Efficacy after the Covid-19 Pandemic and Its Role in Improving MSME Performance" (Yusuf, 2011; Coleman & Karraker, 1998).

**Literature study**

**Empowerment**

Community empowerment is an effort or process to raise awareness, willingness and ability of the community to recognize, overcome, maintain, protect, and improve their own welfare, which is non-instructive Gibson et al. (2017), in order to increase the knowledge and ability of the community to be able to identify problems, plan, and solve them by utilizing local potential and existing facilities, both from cross-sectoral agencies and NGOs and community leaders (Lopes et al., 2017). People who have achieved collective goals are empowered through their independence, it is even a "must" to be more empowered through their own efforts and the accumulation of knowledge, skills and other resources in order to achieve goals without depending on help from external relations.

The characteristics of community empowerment Mardikanto & Soebiato (2012), are that there are community leaders, community organizations, community funds, community knowledge, and community technology. The objectives of empowerment are 1) Improvement of "Better Institution" Institutions, with improvement of activities/actions carried out, it is expected to improve
institutions, including development of business partnership networks 2) Improvement of "Better Business" Business Improvement of education "spirit of learning", improvement of accessibility, activities and institutional improvements, it is hoped that it will improve the business carried out 3) Improved "Better Income" Income, with the improvement of the business carried out, it is hoped that it will be able to improve the income it earns, including family and community income 4) Improvement of the "Better Environment" environment, income improvement is expected to improve the “physical and social” environment because environmental damage is often caused by poverty or limited income. 5) Better Living Life, an improved level of income and environmental conditions, is expected to improve the living conditions of every family and community 6) Better Community improvement, a better life supported by a more physical and social environment well, it is hoped that it will manifest into a better community life as well (Liubarets et al., 2021; Danchikov et al., 2021).

Najiati et al. (2005), explain that the principle of community empowerment is an equality relationship by developing a mechanism for sharing knowledge, experience, and expertise with each other. Each recognizes each other’s strengths and weaknesses, so there is a mutual learning process. Marin-Garcia & Bonavia (2021), state that empowerment programs that can stimulate community independence are programs that are participatory, planned, implemented, monitored and evaluated by the community. However, to reach this level, it takes time and a mentoring process that involves facilitators who are highly committed to community empowerment. Cheong et al. (2016), added that in empowerment there must be the principle of self-reliance, an attitude of respect and prioritizing the ability of the community rather than the help of other parties. This concept does not view the poor as objects who are not capable of "the have not", but as subjects who have little ability "the have little". Nwachukwu et al. (2016), reinforces that with the principle of sustainability, empowerment programs need to be designed to be sustainable, even though at first the role of facilitators is more dominant than the community itself (Sudarmo, 2020; Manzaba & Rodriguez, 2021).

**Self-efficacy**

Self-efficacy is closer to an individual's belief in his ability to succeed in doing something (Bandura, 2012). Self-efficacy is a person’s confidence in his ability to master the situation and produce something profitable (Santrock, 2007). Self-efficacy is the result of the interaction between the external environment, self-adjustment mechanisms and personal abilities, experience and education (Niu et al., 2010). Self-efficacy is a person's belief in his own abilities (Stipek 2001; Santrock, 2007). From the four definitions above, it can be concluded that self-efficacy is a belief (belief) about one’s ability to organize, do something to achieve a goal, produce something, and implement actions to achieve certain skills. Someone with self-efficacy believes that they are able to do something to change the events around them, while someone with low self-efficacy thinks that they are basically unable to do everything around them (Wong, 2021; Rinartha et al., 2018).
Self-empowerment and efficacy

Al Mehsin (2017), self-efficacy helps individuals in making decisions effectively. This belief can be sourced from the internal or external side of the individual. Beliefs that come from within are called self-efficacy or self-efficacy. Self-efficacy can be interpreted as self-confidence in one’s ability to get things done (Warner & French, 2020). Self-efficacy has a strong influence on individual success in critical thinking (Ahmad & Safaria, 2013; Köseoğlu, 2015; Basith et al., 2020; Warsihna et al., 2021). Individuals who have high self-efficacy will show skills in training well (Kudo & Mori, 2015). Individuals perceive high self-efficacy as an encouragement to be more consistent in achieving concrete goals, including in terms of academic values. This is summarized in the three dimensions of self-efficacy formulated by Bandura (2012), namely the dimensions of level (level), strength (strength), and generalization (generalization). The level dimension is related to the difficulty of the task that affects the individual’s behavior to want to do or not. The strength dimension is a person’s level of belief regarding their abilities. Low confidence will get an experience that is not as expected. Finally, the generalization dimension refers to the individual’s beliefs about the particular situation at hand. These three dimensions are used in the next step to develop a measuring tool to obtain information about self-efficacy.

MSME performance

Srinivasa Rao (2007), suggests a variety of significant indicators and indicator systems to measure the performance of MSMEs that are highly developed and used in many sectors, while others only exist in one or a few specific industries. And there are similarities across all KPIs; these performance indicators are often used to measure sales of products, companies, or business units in a systematic way for the long term and closely link the company’s plans with operating units to achieve. Performance monitoring system is an important component of total quality management. Standard types of performance appraisal include process assessment (inputs, outputs) and quality indicators. Sillanpää et al. (2015), adds that total quality management is a comprehensive strategy consisting of concepts and practices aimed at improving the quality of goods and services in SMEs with persistent and efficient arrangements and achievements; with consumer requirements.

The performance indicators that can be proven are decided by Srinivasa Rao (2007), which previously represented the essential success factors of SMEs as key performance indicators. It is a means by which the efficiency of each SME, consulting firm and its branches, facilities and workforce is regularly evaluated. Key performance indicators have concentrated mainly on financial metrics, such as revenue growth, earnings, cash flow and return on investment to assess a company’s economic results. Chan (2004), not all of these indicators are related to the plan and thus may conflict with objectives (Trebuna, 2011; Bang et al., 2013). Have also identified a relationship between employee engagement, job satisfaction and company dedication as an indicator of employee performance. More specifically, Chlpekova & Koltnerova (2013), are committed to manager success, and suggest team members or supervisors have a direct impact on measurable metrics of work efficiency.
Tasks and skills are primarily based on achieving the required quality of outcome volume. In measuring organizational performance, a balance of financial and non-financial metrics must be used. Thus, financial and non-financial metrics for the success of SMEs (Aggarwal et al, 2012). However, non-financial metrics have received increasing attention from SMEs to provide managers with additional detail. There are a number of variables related to performance, namely technology, potential benefits of human resources, productivity, value of goods, advertising, economic growth, business networks, energy, infrastructure, projects, profitability, expenditure and finance, raw materials, development and services, marketing and distribution. In this study, the performance measurement adopted by Srinivasa Rao (2007) consists of delivery performance, price performance, quality performance, proportion of new products and cycle time of new product development.

**Self-efficacy as a mediator of empowerment and performance**

Balau (2017) states that changing certain behaviors or enabling desired performance is an important interdisciplinary issue with practical impacts at economic, social and individual levels. Many models are used to understand and predict consumer behavior and propose that intention alone poorly predicts the performance of a behavior and requires a certain amount of control, ability, or skill. The concept of self-efficacy is very interesting in understanding human performance (or lack thereof) because of the specificity of its context, its importance on actual performance and its flexibility, because individuals can easily improve it. Self-efficacy is described as a mediating variable for performance, often as a moderating factor in overcoming constraints on individual behavior.

Gist & Mitchell (1992), show that self-efficacy involves three important aspects or stages. First, self-efficacy reflects the complex judgments an individual makes regarding his or her capacity to carry out a particular task. Second, this self-efficacy assessment changes as individuals gain more information and experience through empowerment. Third, this self-assessment has an impact on the motivation of individuals, mobilizing their behavior. As Bandura (2012), points out, self-efficacy involves a complex process of perception and requires adapting an individual's performance to suit specific circumstances. This mechanism explains why individuals with the same skills achieve different task performance (Balau, 2017). Hung & Petrick (2012), observed that dividing respondents according to high and low self-efficacy changed some of the relationships in the proposed model, confirming the fact that people differ in their perceptions of self-efficacy as well as on the variables that affect their performance. Park & John (2014), identify personal characteristics that have an impact on individual learning concentration, implicit self-theory. This self-theory also defines new avenues for how information is integrated into an individual's perceived self-efficacy. In this case, self-efficacy is tested as a mediating variable that improves performance. From some of the explanations above, it can be concluded that the research paradigm for this research is as follows:
Research Methodology

This study uses the Partial Least Square (PLS) method, this is because the data are not normally distributed even though the number is more than 200 respondents. The purpose of using PLS is to predict a construct that is built from several variables (in addition, this PLS model is a model that is able to explain complex structural models. In anticipating data that is not normally distributed. The research approach uses quantitative explanatory research, with a map methodology research is described in table 1 below:

Table 1  
Research methodology

<table>
<thead>
<tr>
<th>No</th>
<th>Component</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Research Approach</td>
<td>Quantitative</td>
</tr>
<tr>
<td>2</td>
<td>Types of research</td>
<td>Explanatory</td>
</tr>
</tbody>
</table>
| 3  | Variable Operations        | • Exogenous Variables: Empowerment Program consists of the Principles of Holism (X1.1), Sustainability (X1.2), Diversity (X1.3)  
• Exogenous variable 2: Empowerment process consists of level of awareness and desire to change (power to) (X2.1), Level of ability to increase capacity to gain access (power within) (X2.2), Level of ability to face obstacles (power over) (X2.3), The level of ability to cooperate and solidarity (power with) (X2.4)  
• Exogenous Variable 3: Empowerment output consists of economic capacity, (X3.1) ability to access welfare benefits (X3.2), and cultural and political ability (X3.3).  
• Endogenous variable 1: Self-efficacy consists of Magnitude (Y1.2), Generality (Y2.2) and Strength (Y1.3).  
• Endogenous variable 2: MSME performance, consisting of delivery performance (Z1.1), price performance (Z1.2), quality performance (Z1.3), proportion of new products |
Research Population: 20,692 MSMEs Affected by COVID-19 in Bandung City (Data March-August 2021)

Research Sample: 400 People (Results from the calculation of the Slovin formula)

Sampling Method: Proportional stratified clustered random sampling

Data source: Primary Data and Secondary Data

Data collection technique: Field Research, Questionnaire, Interview, Observation

Testing Technique:
- Descriptive Analysis: Test Mean and standard deviation
- Verification Analysis: Path Analysis using PLS-SEM
- Simultaneous Test (F Test) and Partial Test (t Test)

Analysis Design and Hypothesis Testing:
Descriptive Analysis: Test Mean and standard deviation

(Source: Monecke & Leisch, 2012; Henseler et al., 2016; Hair et al., 2012).

Hypothesis research

Ho : $\gamma_i = 0$, Empowerment Program, Empowerment Process and Empowerment Output Significantly Affect MSME Performance through Self-Efficacy

H1 : $\gamma_i \neq 0$, Empowerment Program, Empowerment Process and Empowerment Output Significantly Affect MSME Performance Through Self-Efficacy

Results and Discussion

This research model was analyzed using the Partial Least Square (PLS) method and assisted by SmartPLS 3.0 software. PLS is an alternative method of Structural Equation Modeling (SEM) that can be done to overcome problems in the relationship between variables which is very complex but the data sample size is small (30-100 samples) and has non-parametric assumptions, meaning that the data does not refer to one particular distribution (Yamin & Kurniawan, 2011). Convergent validity is done by looking at the reliability of the item (validity indicator) which is indicated by the loading factor value. The loading factor is a number that shows the correlation between the score of a question item and the construct indicator score that measures the construct. A loading factor value greater than 0.7 is said to be valid. However, according to Hair et al. (2017), for a preliminary examination a matrix loading factor of approximately 0.3 is considered to have met the minimum level, and a loading factor of approximately 0.4 is considered better, and a loading factor greater than 0.5 is generally considered significant. In this study, the limit loading factor used is 0.5. After processing the data using SmartPLS 3.0 the results of the loading factor can be displayed as in Table 2:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Loading Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment Program</td>
<td>Holism</td>
<td>0.820</td>
</tr>
<tr>
<td></td>
<td>Sustainability</td>
<td>0.862</td>
</tr>
</tbody>
</table>
From the results of data processing with SmartPLS, it can be seen in Table 1.3, that the majority of indicators in each variable in this study have a loading factor value greater than 0.50 and are said to be valid. Furthermore, the Discriminant Validity test was carried out by looking at the measurement of the cross loading value construct. The cross loading value shows the magnitude of the correlation between each construct and its indicators and other construct block indicators. A measurement model has good discriminant validity if the correlation between constructs and indicators is higher than the correlation with indicators from other construct blocks. After processing the data using SmartPLS 3.0, the results of composite reliability can be seen in Table 3:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>Composite Reliability</th>
<th>Average Variance Factor (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment Programe</td>
<td>0.825</td>
<td>0.876</td>
<td>0.591</td>
</tr>
<tr>
<td>Empowerment Process</td>
<td>0.937</td>
<td>0.948</td>
<td>0.697</td>
</tr>
<tr>
<td>Empowerment Output</td>
<td>0.780</td>
<td>0.872</td>
<td>0.696</td>
</tr>
<tr>
<td>Self Efficacy</td>
<td>0.801</td>
<td>0.865</td>
<td>0.715</td>
</tr>
<tr>
<td>Performances</td>
<td>0.789</td>
<td>0.883</td>
<td>0.626</td>
</tr>
</tbody>
</table>

Source: Data Running by SMART PLS, 2021
variable and the direct path coefficient is smaller than the indirect path coefficient through self-efficacy, H1 is rejected that the Empowerment Program, Empowerment Process and Empowerment Output Significantly Affect MSME Performance Through Self-Efficacy. This study uses MSME performance data and the factors that influence it in 2021. The test results can be seen in Figure 3.

These results support research from Gist & Mitchell (1992); Bandura (2012); Park & John (2014); Balau (2017) which states that self-efficacy involves a complex process of perception and requires adaptation of individual performance to suit certain circumstances. This mechanism explains why individuals with the same skills achieve different task performance (Balau, 2017). These results also support Hung & Petrick (2012) that the high and low individual performance depends on the high and low self-efficacy of the individual, this study is also in line with Park & John (2014), who tested in several experiments whether empowerment can increase self-efficacy, the more Individuals like one type of information in an empowerment program the higher their self-efficacy (Lut, 2012; Neely et al., 2002).

The results of this study also complement the study by Park & John (2014), which identified personal characteristics that have an impact on individual concentration, implicit self theory. This self theory also defines new avenues for how information is integrated into an individual's perceived self-efficacy. In this case, self-efficacy is proven as a mediating variable that improves performance. In addition to the individual's concentration on empowerment, the variety of programs offered, sustainability and empowerment processes are also determinants of self-efficacy in increasing performance. Kudo & Mori (2015), statement regarding individuals who have high self-efficacy will show skills in training well, which is also supported by the results of this study, self-efficacy increases the influence of empowerment programs, empowerment processes and outputs on MSME performance (Anderman & Patrick, 2012; Rosinger et al., 2021).
Conclusion

After the COVID-19 pandemic in Indonesia, many people were affected and experienced a difficult economy, including the MSME sector. The Empowerment Program for laid-off victims affected by COVID-19, which the government has issued a very large budget with the target of achieving improvement in the performance of MSMEs in Indonesia in general and in big cities in particular, this study proves that the empowerment program carried out by the government will be more effective if the individual empowerment participants themselves participate in the empowerment program. In this case, MSMEs have self-efficacy, the higher MSME self-efficacy, the higher the performance, of the 400 MSME samples taken in the city of Bandung, the majority agreed to this. This is input for stakeholders, especially the Ministry of Manpower and Transmigration as the organizer to add input to the MSME training program affected by Covid-19, namely training to increase self-efficacy. One of the things they are facing is a decrease in consumer buying interest and the imposition of large-scale social restrictions. The combination of providing self-efficacy materials is expected to accelerate the MSME empowerment program so that it adds strength in achieving performance improvements. Not only relying on providing physical skills training but also providing mental or psychological skills training.

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