Double Sided Perspective of Business Resilience: The Rationality and Irrationality of SME Experience

Nopriadi Saputra\textsuperscript{a}, Maria Grace Herlina\textsuperscript{b}

\textsuperscript{ab} Management Department, BINUS Business School, Undergraduate Program, Bina Nusantara University, Jakarta, and Indonesia


ABSTRACT

COVID-19 has created a killing field for SME as one of national economics pillars. Business resilience becomes crucial issue. It has stimulated the owner and/or managers of SME to do many things for saving the SME from its bankruptcy rationally and/or irrationally. This study aimed to elaborate business resilience and to test the impact of rational and irrational factors on business resilience. The rational factors consist of: (1) implementation of health protocol in doing business, (2) developing business flexibility, and (4) improving alliance capability. The rational factors consist of (4) enhancing pro-social leadership a (5) conducting workplace spirituality. This study is cross-sectional survey with causal approach for testing five hypothesizes. Convenience method was used as sampling method. This study involved 506 small medium enterprises in Jawa and Sumatera, the two biggest islands in Indonesia. Collected data were structured with PLS based Structural Equation Modelling. Proposed research model was described into second order construct and tested by validity and reliability analysis, measurement model analysis and structural model analysis.

Keywords: Resilience, Flexibility, Spirituality, Pro-Social Leadership