

## **The Strategy of Javanese Entrepreneur During COVID-19 Pandemic: Case Study from East Java**

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### **Abstract**

*This research will discuss how Javanese entrepreneurs are able to survive and thrive during the COVID-19 pandemic. Qualitative approach with Ethnography research design is adopted in this research to capture the true story of informants using their own words in a local context. Based on the result of this study we argue that Javanese entrepreneurs' are using strategy to survive COVID-19 pandemic based on their "Effort" and "Values". "Effort" in surviving the COVID-19 pandemic are realized by building strength and by improving their service quality. Javanese entrepreneurs are using Vertical and Horizontal relationships as part of their "Values" in surviving the COVID-19 pandemic. "Effort" and "Values" together influence the forming strategy of Javanese Entrepreneurs to survive COVID-19 pandemic. The strategy of Javanese Entrepreneur in surviving COVID-19 pandemic is in the form of Survival strategy and Innovation strategy with product and process innovation.*

**Keywords:** *Javanese Entrepreneurs, Strategy, Effort, Values, COVID-19 Pandemic.*

### **1. Introduction**

COVID-19 pandemic is a crisis that hits the whole world in every aspect of our life. With this pandemic some of the entrepreneurs are able to thrive and survive but some of them can not survive. There are some empirical studies that discuss entrepreneurs in the COVID-19 pandemic, in the study of Portuguese Castro and Gómez Zermeño (2020), crisis can open an opportunity to create a company that is more resilient, proactive, able to learn from experiences and able to work together in the aspect of social and economy. Study by Liñán and Jaén (2020) especially discusses the factors that influence resilience as part of the entrepreneurship characteristic. Some of the factors are: (1) Attitude towards the crisis; (2) Business characteristics; (3) Entrepreneurial characteristics; (4) Relationships with institutions; (5) Social and human capital; (6) Strategic management.

Study by Durst and Bruns (2021) aims to investigate how medium Small and Medium Enterprise (SME) in Peru was able to survive during COVID-19 pandemic based on the conceptual framework on the practice of SME in surviving crises. Their study is confirming the previous research about the ability of small-medium enterprises to adapt for changes. Research by Duarte Alonso et al.(2020) particularly discusses the importance of self efficacy for entrepreneurs. Entrepreneurial self efficacy is shaped by entrepreneur mindset such as entrepreneurial bricolage and improvisation as a

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determinant of the entrepreneurs' ability to adapt to be able to survive and to minimize the negative impact of the COVID-19 pandemic. Research by Ratten (2020) discusses the reaction of entrepreneurs that naturally has a resilient character in adapting to challenges and new environments through flexibility and the support of the entrepreneur ecosystem. Research by Sahasranaman (2020) and Rashid and Ratten (2020) discuss the role of the entrepreneur ecosystem in giving support for entrepreneurs to be able to survive the COVID-19 pandemic. Research by Rashid and Ratten (2020) was using the dynamic capabilities framework to study how small-medium enterprises survive and grow in the entrepreneur ecosystem that is impacted by COVID-19 pandemic. There were three dynamic capability dimensions that emerged from their research namely: sensing, seizing, and transforming capability. This research is contributing to the ability of SME in surviving COVID-19 pandemic so it can anticipate crises in the future. In Indonesia, there is research by Hidayat et al. (2020) which confirms that business resilience that is influenced by entrepreneur spirit is the basic character that is needed by the entrepreneur to be able to survive during the challenging time. The previous researchers mentioned about several factors that are able to help the entrepreneurs to survive the COVID-19 pandemic can be summed up in Table 1 below:

Table 1 Factors that enable entrepreneurs to survive COVID-19 pandemic

Factors that enable entrepreneurs to survive COVID-19 pandemic	Researchers
1. The resilient characters of entrepreneurs	Portuguez Castro and Gómez Zermeño (2020); Hidayat et al. (2020)
2. Ability to adapt to changes, to be able to improvise and to be flexible	Duarte Alonso et al. (2020); Durst and Bruns (2021), Ratten (2020)
3. Support from ecosystem	Rashid and Ratten (2020); Sahasranaman (2020)

Javanese is one of the biggest ethnicity in Indonesia with 42% of the population (Hermawan et al., 2018). Java ethnic originated from East Java, Central Java, and Yogyakarta, 95% of them are Muslim. With regards to business ethics, Javanese has two core ethics namely: harmony and respect to elderly (Hermawan et al., 2018). When doing business, Javanese are required to maintain harmony and peace with others which include business partners, customers and competitors. Javanese also must always respect older people, this can be seen from the difference of language used when talking to older/respected people compared to when talking to friends from the same age group. With the huge number of Javanese population in Indonesia, it is interesting to learn how Javanese entrepreneurs are coping with COVID-19 pandemic.

The unavailability of investigation of strategy on how Javanese entrepreneurs are able to survive COVID-19 pandemic serves as the research gap that this study tries to fill. The previous researches about how entrepreneurs are able to survive during the COVID-19 pandemic are framing the research questions for this study. This research will discuss how Javanese entrepreneurs are able to survive and thrive during the COVID-19 pandemic.

The research questions of this study are:

1. How are the behaviour of Javanese Entrepreneurs in surviving the change of the external environment due to the COVID-19 pandemic?

2. How are the behavior of the Javanese Entrepreneurs in surviving the COVID-19 pandemic able to build the determinant factor of their surviving strategy?
3. How the Javanese Entrepreneurs implemented their strategy in surviving the COVID-19 pandemic.

Aims of the research:

1. Describing the behavior of the Javanese Entrepreneurs in surviving the external environment change due to COVID-19 pandemic.
2. Describing the determinant factors of surviving strategy by the behavior of Javanese entrepreneurs in surviving the COVID-19 pandemic
3. Describing the implementation of Javanese entrepreneurs' strategy in surviving the COVID-19 pandemic.

## **2. Literature Review**

### **2.1. Entrepreneurs Surviving COVID-19 Pandemic**

There are several skills of entrepreneurs that define them with non entrepreneurs. The study by Portuguese Castro and Gómez Zermeño (2020) mentioned that there are 16 skills of entrepreneurs with resilience (ability to adapt to changes) being one of the most important skills to survive COVID-19 pandemic. Resilience represents the ability to adapt to changes quickly and to learn from mistakes and use it to perform better next time. Small businesses are more flexible for responding to change in the form of innovation and improvisation Portuguese Castro and Gómez Zermeño (2020). Besides resilience, networking/ support from the ecosystem is also assisting entrepreneurs surviving COVID-19 pandemic (Udimal, et al., 2020). Networking enhances the business performance of entrepreneurs by providing access to a variety of resources. Entrepreneurial ecosystem provides a conducive environment for entrepreneurs to thrive through networking (Rashid and Ratten, 2020). As has been mentioned in Table 1, some of the factors that are supporting entrepreneurs in coping with COVID-19 pandemic include: (1) Resilience character of entrepreneur; (2) Flexibility/ Adaptability to changes; (3) Support from Ecosystem/ Network reliance.

### **2.2. Javanese Entrepreneur**

Javanese culture supports the entrepreneurial traits in terms of determination, persistence, creativity, passion and good relationship building (Sari, 2020). They prioritize harmony and work ethics when doing business. To achieve harmony in life, one must prioritize group members and prioritize collective decision making and achieving consensus (Tendelilin, 2020). Javanese culture views business as a way to share benefits for others and not only looking for profit. Javanese practice living in harmony to achieve prosperity for all. The religious dimension also influences the behavior of Javanese entrepreneurs. Relationship with Allah SWT (SubahanahuWaTaala)/ God Almighty is seen as a crucial and important dimension in business because praying is considered as part of everyday's business practice to make sure the business will run smoothly (Hermawan et al., 2020) Javanese entrepreneurs also have a high rate of optimism and hope. Optimism and hope serves as the core for the Javanese entrepreneur when doing business. Hope and optimism is realized in the attitude of being independent, persistent and hardworking in achieving their goals (Andri and Riyanti, 2019).

### **2.3. Ethical Values of Javanese Entrepreneur**

The philosophy of Javanese culture that is full of moral values plays an important role in shaping the way people see the world, influences the direction to moral conduct and the behavior in maintaining social order and business (Hermawan et al., 2018). The Javanese

business ethics refer to two fundamental principles: (1) Respect for the elderly; (2) Harmony principle: everyone in Java is required to be able to live in harmony with each other. In creating harmony, collective decision-making process, consensus and cooperativeness (gotong royong). Mutual help and sharing the burden is the practice of creating harmony in the community. The religious dimension influences the behavior of entrepreneurs. Relationship with Allah is seen as a crucial and important dimension in business, praying is considered as part of everyday's business practice so the business will run smoothly. Core Value of Javanese work ethic (Andri and Riyanti, 2019): (1) Surrender to God (Nrimo); (2) Kinship always comes first (Tuna sathak bathi sanak); (3) Job is a way in getting blessing (Laku tirakat); (4) Giving all the best in doing their job (Panggautan Gelaring Pambudi).

Act of surrender is one form of core values that comes from their religion. As a Muslim, Javanese Entrepreneur knowing that they have done their best, it is natural to surrender everything to Allah SWT (SubahanahuWaTaala)/ God Almighty after all the hardwork they have done. Prioritizing kinship will result in building a network which is similar to networking, one of the efforts of entrepreneurs in order to survive COVID-19 pandemic. With the mindset that doing work is one of the ways of getting blessing, Javanese are motivated to work hard as part of the compliance of their religion. Laku tirakat mindset together with Penggautan Gelaring Pambudi are similar to the act of persistence and responsibility as part of the 16 entrepreneurial skills by Portuguese Castro and Gómez Zermeno (2020). Javanese entrepreneurs are working hard and always giving their best in work but at the same time they are also surrendering to Allah SWT for the result of their hard work. Act of surrender, maintain harmony, while at the same time still giving their best in work because working is seen as part of religious compliance to gain blessing from Allah SWT. It gives unique entrepreneurial skills to Javanese Entrepreneur that is worth investigating because it is similar with the character of entrepreneur in general yet very different in one aspect which is Self Efficacy. Instead of relying on his/her own ability to overcome the challenges, Javanese entrepreneurs rely in family and friends while at the same time giving their best effort to overcome challenges.

### 3. Research Method

This research is using interpretivism paradigm because it is based on the transcendentals concept as part of the theology which believe that people realization is not based on the object that is thought, remembered, or imagined by them but people also realize that they are lead and moved by something beyond them (Westphal, 2015) so people believe in the multiple reality that serves as a based of interpretivism paradigm (Phillimore and Goodson, 2004). Inductive approach is used for the theory development, because this research is aiming to understand the behavior of the Javanese entrepreneur in surviving the change of the external environment during COVID-19 pandemic. Multi method qualitative data collection is used through interview, field observation and statistical data on Javanese Entrepreneur in East Java province, Indonesia. Focused Ethnography is used for data collection because the informants in this research are Javanese Entrepreneurs that act as part of a specific community with particular setting (Cruz and Higginbottom, 2012).

Research setting is in East Java Province with Javanese Entrepreneurs as the subject of the research. Focused ethnography is used as the research strategy because this research is a part of a process to study Javanese Entrepreneur in East Java on their effort to survive during COVID-19 pandemic through the true story of informants using their own words in local context. In Ethnography research, the researchers enter the social world of the informants to gain information about the meaning of the informants social behavior. This process is going to provide opportunities for the researchers to understand and experience the culture of the informants. Unit of analysis for this study is 10 informants that

represent the Javanese entrepreneur in East Java province. Informants were chosen based on their willingness to be interviewed for the study and also based on the location so they can represent Javanese entrepreneurs in East Java Province that is scattered around several cities and municipalities. In qualitative research, researcher is the instrument of the research. Primary data is collected through semi structured interviews and field observation. All the interviews are conducted in Bahasa Indonesia and then translated into English. Secondary data is collected from the Javanese entrepreneur community that has the data of Javanese entrepreneurs in Indonesia that is scattered around 33 coordination areas all around Indonesia.

The validity of this research is tested using 4 terms created by Lincoln and Guba (1985) cited in Decrop (2004) namely: (1) Credibility testing is conducted through data triangulation which include interview, field observation, and data from Javanese Entrepreneur community are used to increase the credibility of the research. Credibility also improves by doing member checking as part of the data verification and data validation is conducted by returning the analyzed data to informants to make sure that the data analysis is able to capture the meaning that the informants are trying to explain during the interview. Informants are also given a chance to add on the data and opinion for the synthesized data as part of the interpretivism paradigm epistemologically (Harvey, 2015) cited in (Birt et al., 2016); (2) Transferability is conducted using a thick description of the data in a detailed and tidy manner so other researchers are able to judge whether the result of the research reflects the data collected; (3) Dependability testing is conducted through peer debriefing which means asking researchers' colleagues to read the result of the data analysis to make sure the data analysis is conducted properly. External auditor is also engaged in this process as part of the effort to reduce researcher bias about the result of the research; (4) Confirmability is conducted by writing the step by step of data collection and data analysis in a detailed manner and self reflection is conducted to improve the objectivity of this research. Self-reflection is explaining how the result of the research is shaped by the researcher's background such as gender, culture, and social and economic background (Creswell, 2014).

Data is analyzed using 6 steps thematic analysis by Braun and Clarke (2006) cited in Nowel et al. (2017) namely: (1) First step: understanding the data collected; (2) Second step: writing initial code ; (3) Third step: Looking for theme; (4) Fourth step: Reviewing the theme; (5) Fifth step: Defining and reviewing the theme; (6) Sixth step: Writing result.

#### **4. Result and Discussion**

Primary data was collected by conducting semi-structured interviews with 10 informants that represent Javanese Entrepreneurs in East Java province Indonesia. All of the interviews were conducted in Bahasa Indonesia and then translated into English. The interviews were conducted during the month of April until June. All the researchers were assigned with coding transcript activity to find the emerging themes from the interview transcript as part of the familiarisation process with the data. After that, the researchers took turns to read at the other researchers coding as part of the peer debriefing to improve the dependability of the data. The analyzed transcript then returns to the informants to check whether the researchers had interpreted the interview according to what the informants were trying to say as part of the way to improve the credibility of the data. The background of the lead researcher is explained, as part of the self reflection to improve the confirmability of this research. The lead researcher is very familiar with the entrepreneurial topic. He has conducted research on entrepreneurs and SME for more than 20 years. He is also a Professor in Strategic Management and has conducted many research on strategy. This research is based on his curiosity why some businesses are able to survive while others are not during the COVID-19 pandemic. He is investigating

whether the element of ritual in religion plays an important role in shaping entrepreneurs behavior especially Javanese Entrepreneurs in surviving the COVID-19 pandemic. The list of the informants with the information of the type of business and the number of employees can be found in Table 2.

Table 2 List of the informants

No.	Type of Business	Name of Business	Number of Employee
1.	Food Business	Wapo KKN	20 (40 before COVID-19 pandemic)
2.	Food	Bakso Kota Cak Man	90
3.	Food	Soto Ayam Cak Son	60
4.	Travel Agent	3 Cahaya Utama Hajj and Umrah Travel Bureau	12
5.	Food	Sambel Pecel Berkah Lestari	5 (10 before COVID-19 pandemic)
6.	Furniture	La Casa Furniture	45
7.	Machinery	Mesin TTG	5
8.	Education	Kreatif Insan Rabbani Primary School	35
9.	Printing	CV Sekawan	40
10.	Fashion	UD Rahayu	67

#### 4.1. Javanese Entrepreneurs' Effort

“Effort” that is done by Javanese Entrepreneurs represent an effort or business that has strength and opportunity as part of the internal organization analysis of Javanese Entrepreneur. Javanese Entrepreneurs in this study did not have any dependency on business' assets on any third party or other business organization. Furthermore, external factors of the company namely: economy, rivalry, law, politics, social and culture are supporting the Javanese Entrepreneurs in this study to achieve the mission of their organizations.

COVID-19 pandemic that has spread rapidly in Indonesia since March 2020 has become the external variable of the economic activities that has cause major turbulence in the economy of Indonesia which brings some negative effects namely: decrease of the income, decrease of the purchasing power which eventually cause the decrease of the income of the entrepreneurs even some of them are closing their business. However, some entrepreneurs are manage to survive like the first informan, as the owner and manager of the restaurant named Wapo KKN stated:

“Our principal is to survive first, because based on our experience during the early time of pandemic we were all shocked with lot's of regulation by the government and the new safety and hygiene protocol, we are closing for one month. It turns out it is more difficult to reopen the restaurant, we have to start from the beginning again.” (Informant 1)

The second informant, the manager of Bakso Kota Cak Man also stated:

“In order to survive, we need to reduce the number of our employees to almost 50 percent at the beginning of the pandemic... The most important thing is to make sure that our business continues to open during the pandemic even though at the beginning of the

pandemic we only open 2 restaurants from 6 restaurants that we have. However with the improvement of sales everything is getting better and we are able to open all the 6 restaurants.” (Informant 2)

The reduction of the number of the employee and involving family members serves as part of the “Effort” to reduce the operational cost and to reduce spending in cash in order to achieve survival strategy. The owner manager of Wapo KKN is using survival strategy to create new products, such as frozen products. While informant 3, the owner of Soto Ayam Cak Son stated that he emphasize the availability of the products with affordable price so he can give customer added value for product as part of his business’ strength, he stated:

“Of course customer value is important, so customers need to feel satisfied with the amount of money that they need to spend to pay for the food... we never get complained about the price because the customer feel that we are able to give them the value for money in our restaurant for example in the taste of the food, ambiance of the restaurant”. (Informant 3)

Our fourth informant is the owner manager of Hajj and Umrah Travel Bureau. He stated that during the COVID-19 pandemic, it is important to maintain the relationship with the customer using online platforms. He stated:

“...in 2019 during a month we were able to send a group of pilgrims four times, once a week. We had made a Whatsapp group for them. We are maintaining communication with them because they are our basic market. Throughout the COVID-19 pandemic we are routinely held discussion on Islamic values and Islamic religious practices through online platforms ...This was part of our effort to maintain communication during COVID-19 pandemic.”(Informant 4)

Based on the external analysis, all the external factors namely social, cultural, politics and economy especially the industry rivalry had given opportunity for the Javanese Entrepreneurs to form and achieve their business’ missions. Javanese Entrepreneurs realized that COVID-19 pandemic is part of the uncontrollable threat, nevertheless they believe that opportunities are still available for their business despite all the difficulties. They are ready to use new business strategies to improve their business performance. Informant 1 explained:

“...praying, innovating, we always need to have intention and keep up the spirit, and we need to try to save the budget for the unnecessary spending in order to be able to survive. No need to gain profit, the most important thing is to survive and remember to always pray.”(Informant 1)

Informant 6, the owner of Basuki La Casa, a business that focuses on furniture production and selling said that he tries to survive by running an exhibition and giving special discounts to the buyer during the transaction.

“... by running an exhibition in a workshop and giving a special discount.” (Informant 6)

Meanwhile informant 7, the owner of a machinery business is using social media as a platform to promote his product. He was stating that:

“By increasing promotion using social media, uploading the machine trials’ video... we showed the result of the product from our machine....Or with the promotion based on the timing, for example during Eid Al Adha we promote the machine for meat chopping, during Environmental day we promote the machine to process recyclable items...” (Informant 7)

The owner of Sambel Pecel Berkah Lestari, informant 5 in her effort to survive also stated:

“We are trying to sell and produce other products like specialty food items from East Java and we are also in the catering business. We are also promoting our product to our old customers using an online platform”. (Informant 5)

Javanese entrepreneur that has business in the education sector finds that COVID-19 pandemic acts as an external variable that has given an opportunity for her business to achieve the mission of the business. By giving the best service when students have to study from home, the parents can compare the quality of Kreatif Insan Rabbani Primary School to other school and they are starting to acknowledge that sending their kids to study in Kreatif Insan Rabbani Primary School is very beneficial for the parents during this kind of situation.

“It gives us a small opportunity...the teachers are able to use a variety of online learning methods so our students are not bored and the aim of the study can be achieved...because the parents that are initially letting the school handle all of the studying process are now getting involve... The parents are starting to compare online study with other schools and they chose to enroll their son/ daughters to the school that they perceive as the best... We are trying to give the best solution for everyone.”(Informant 8)

During the pandemic, there is also some business that try to use the economic opportunities such as producing hand sanitizer based on the market’s need, like has been mentioned by informant 9, the owner of CV Sekawan:

“We still have (orders)...we are still printing the book for the kindergarten students...during the pandemic we are not firing any of the employee but we are trying to produce hand sanitizer” (Informant 9)

The owner of UD Rahayu, informant 10, tried to survive during the pandemic situation by producing the products with new variations that are able to attract the customers to purchase their products. He stated that:

“ We are making a different product of sarong based on the customer's needs and wants”. (Informant 10)

The meaning of informations that are given by the informants about their “Effort” to survive during the COVID-19 pandemic can be concluded as: The strength of Javanese Entrepreneurs business are: (1) No dependency to others for the assets (building, human resources, technology and capital); (2)The product and service has customer value; (3)Product is needed during COVID-19 pandemic and is easily available. Some opportunities to develop business such as: (1)Product development such as frozen and product development especially for COVID-19 pandemic (mask; hand sanitizer); (2)Using information technology to spread the information and to strengthen the relationship with customer, and to improve customer service by using online platform such as Zoom Meeting; (3)Initiate customer engagement (the relationship between the parents of the students and the school).

#### 4.2. Javanese Entrepreneurs Values

The values of Javanese Entrepreneurs shape the way they interact with each other and the way they perform their religion as the core value of their life. Javanese entrepreneurs prioritize harmony and respect elders. They work hard and give the best that they can in order to achieve optimum results because working is seen as one of the ways to get blessing from Allah SWT. There is one unique characteristic of Javanese entrepreneurs that makes them unique compared to other entrepreneurs is the act of surrender. Javanese entrepreneurs believe that after giving the best effort for their work it is necessary for them to surrender to Allah SWT. These values influence their vertical and horizontal relationship.



#### 4.3. Vertical Relationship

Vertical relationships bring peace to the soul, calm and collected mind for Entrepreneur Javanese so they can overcome problems during crises. Informant 1 the owner of Wapo KKN stated:

“We need to increase the Vertical relationship in order to achieve a peaceful soul, calm and collected mind so we can handle problems during crises. When we come across something difficult we just need to have faith that Allah will take care of us. (Informant 1).

Informant 2, the manager of Bakso Kota Cak Man stated:

“ We are more grateful”. (Informant 2)

Informant 3, the owner of Soto Ayam Cak Son stated:

“..yes more patient because I know this is (getting upset easily) only the work of the satan”(Informant 3)

Informant 4, the director of Tiga Cahaya Utama Hajj and Umrah Travel and Bureau stated:

“ ...the key is to have faith in Allah then He will give sustenance from an unpredictable way...Anyone who has faith that Allah will take care of him/her, He will suffice him/her (Quran,65:2-4).” (Informan 4)

Informant 5, the owner of Sambel Pecel Berkah Lestari stated:

“...(Values) not specific for business only, the most important thing is that we have His blessing in our lives. Ups and downs in business are normal, I have always worked hard in any circumstances. I don't have any stress, just surrender to Allah and look for opportunities”. (Informan 5)

Informant 6, the owner of Basuki Lacasa stated:

“...yes, the degree of surrender to Allah is increasing.” (Informant 6)

Informant 7, the owner of Mesin TTG stated:

“...yes I feel more peaceful because I surrender to Allah.” (Informan 7).

Informant 8, the owner of Kreatif Insan Rabani primary school stated:

“I feel peaceful because I know that I have Allah that always supports and backs me up in everything”. (Informan 8)

Informant 9, the owner of CV Sekawan stated:

“I feel more convinced whenever I make a decision so I feel more peaceful.” (Informant 9)

Informant 10 stated that:

“Whenever I had done alms offering I feel happy and I can think positively about the success of our business” (Informan 10)

Building Vertical relationship brings positive impact to Javanese Entrepreneurs in the form of: (1) Calm and collected mind in conducting business; (2) Surrender to Allah, Javanese Entrepreneurs as the servants of Allah have a higher awareness in the obligation of conducting Values so they are able to control themselves; (3) Having more patience; (4) Always grateful for His Blessing; (5) More convinced that Allah will guarantee their wishes and Allah will give them sustenance;(6) Always having a positive mindset.

#### 4.5. Horizontal Relationship

Javanese Entrepreneurs maintain their relationship during COVID-19 pandemic using internet connection through online platforms to communicate with family members, colleagues, customers, and friends. Informant 1 explains that maintaining communication through Whatsapp groups brings blessing for his business that allows him to come up with new ideas (innovation in product and process). Informant 1 explained:

“I will invite 5 or 6 people to my restaurant to have coffee and small talk so they will know about my restaurant. By doing that I am networking with potential customers, I got their (phone) number and by adding them in my Whatsapp contact, they can see the today’s menu in my status update, that will help with promotion.” (Informant 1)

Informant 3, the owner of Soto Ayam Cak Son and informant 2, the manager of Bakso Kota Cak Man also agree that Horizontal relationship will bring more opportunity for their business and will build employee loyalty, because everyone is treated as part of one big family, He stated:

“During the fasting month, we (all the employees of Bakso Kota Cak Man) always break the fast together. We also give food for breakfast for our communities, during Hari Raya we always have gatherings and ask for forgiveness from the owner of Bakso Kota Cak Man, all of us (employees) consider him as our own father”. (Informant 3)

Informant 4, the owner of 3 Cahaya Utama Hajj and Tour Travel and Bureau is building relationships with his customers by organizing a charity event together by giving food to the one in need. He stated:

“Even during the pandemic, one of the activities of our pilgrim groups is to volunteer in helping people in need by giving food or free breakfast. We schedule the activity all year round every Sunday by a different group in a different location to do the charity event. They are really happy with this kind of activity and are looking forward to it.” (Informant 4)

Informant 5, the owner of Sambel Pecel Berkah Lestari stated that she is maintaining the relationship with family, colleagues and customers by using online platforms. She is also offering the alms giving in the form of food and money for people in need, she stated:

“We are still continue offering the alms, giving free food, giving money to the one in need because it is part of the habit...We are also communicating using online platforms with our community, family, and friends as part of our effort in maintaining relationships and asking how they are doing”. (Informant 5)

Informant 6, the owner of Basuki La Casa said that building Horizontal relationships is very worthwhile. He is able to add more friends, more customers, and be able to enlarge the market. He stated:

“...(Horizontal relationship) is needed to build the communication network, and to add more friends, and to add a market for the business”. (Informant 6)

He also stated that by building Horizontal relationship he is able to get more Values from friends, family, and communities for the success of his business, he stated:

“...yes, because the more Values, the better”. (Informant 6)

Informant 7, as the owner of a business that is selling machines for small enterprises to produce their own product, stated that he builds Horizontal relationships through Whatsapp application by using chat and video call. He is also still continue offering the alms by giving food to orphanage, he stated:

“COVID-19 pandemic is not hindering us from offering the alms, giving money and food to the one in need and also maintaining our relationship by using video call...We make

Whatsapp groups with our family. We continue to give food and things that are needed by the orphanage based on the list given by the operator of the orphanage.” (Informant 7)

Informant 8 is emphasising on the importance of building Horizontal relationship with the stakeholder of the school and the local communities, she stated:

“ We always make it a habit for our students and teacher to offer the alms by giving money every morning, once we have collected enough amount we will give the money to people in need...for orphan students we will give a scholarship in the form of free tuition, for the students that comes from marginalize family we will give them 50 percent off tuition fee...We never ask Values specifically during the COVID-19 pandemic, we have always ask for Values in general for the success of our business in Islamic education from the students, parents, teachers, and communities”. (Informant 8)

Informant 9 stated that he is using social media platform to build Horizontal relationship with customer and maintaining relationship with his parents by asking for their blessings for the business every day, he stated:

“During COVID-19 pandemic, usually I maintain the relationship with customers through online platforms or if I can not contact them through an online platform, I will call them directly so the customer won't go to another printing business... The most important thing, every day before I go to work, I will always ask the blessing from my parents so Allah will give me a blessing as well”. (Informant 9)

Informant 10 is building the Horizontal relationship through face to face interaction and by giving the alms in the form of money to make sure he is always positive in life, he stated:

“Meeting directly face to face in order to build networking, we need to socialize to get better information, giving alms in the form of money to clean our possessions and to create positivity in life” (Informant 10).

Maintaining relationships is part of the “Effort” by Javanese Entrepreneur in order to build business, to bring luck and also blessing in life. Building Horizontal relationships with colleagues, family, and friends enable Javanese Entrepreneurs to improve the marketing process of the product and service as part of the “Effort” of Javanese entrepreneurs. Some of the forms of Horizontal relationship for Javanese Entrepreneurs are: religious gathering for Qur'an reading, performing Dhikr ritual together, giving the alms in the form of giving money or food donation which inline with Vertical relationship building as well. By building the Horizontal relationship with family members, friends, and colleagues, Javanese Entrepreneurs are able to get a lot of support in the form of prayer. Javanese Entrepreneurs are also getting a lot of support from friends, family, and colleagues by building the relationship with the business stakeholders and by providing easily accessed facilities for customers as a way of improving customer experience in using their products or services. Javanese Entrepreneurs believe that the more they are giving to people in need, they will get more sustenance and blessing. Building Horizontal relationships through social media, exchanging ideas and knowledge with other entrepreneurs brings new thinking and new ideas for their business. Relationships with the customer and potential customer can be built through communicating using online platforms.

#### 4.6. Research Model

Building Vertical and Horizontal relationships brings calm and collected minds, initiates the act of surrender to Allah and allows Javanese Entrepreneur to always think positively. Horizontal relationships in the form of relationships building will add on knowledge about the development of a business environment. In the communication process there is an act of information exchange that encourages an act of comparing and also benchmarking. Interaction among the entrepreneurs initiate the process of creating new

thinking, new steps and new solutions. Interacting with customers unfolds new knowledge about customers' needs and wants during COVID-19 pandemic. Interaction with family members, friends, and communities brings support for Javanese Entrepreneurs in the form of prayers so they can have a new spirit to strengthen their business. Horizontal and Vertical relationships create new ideas, new initiative, new creativity and innovation. With this conclusion we have come with the model of Strategy of Javanese Entrepreneurs in Surviving the COVID-19 pandemic that can be seen in Figure 1.

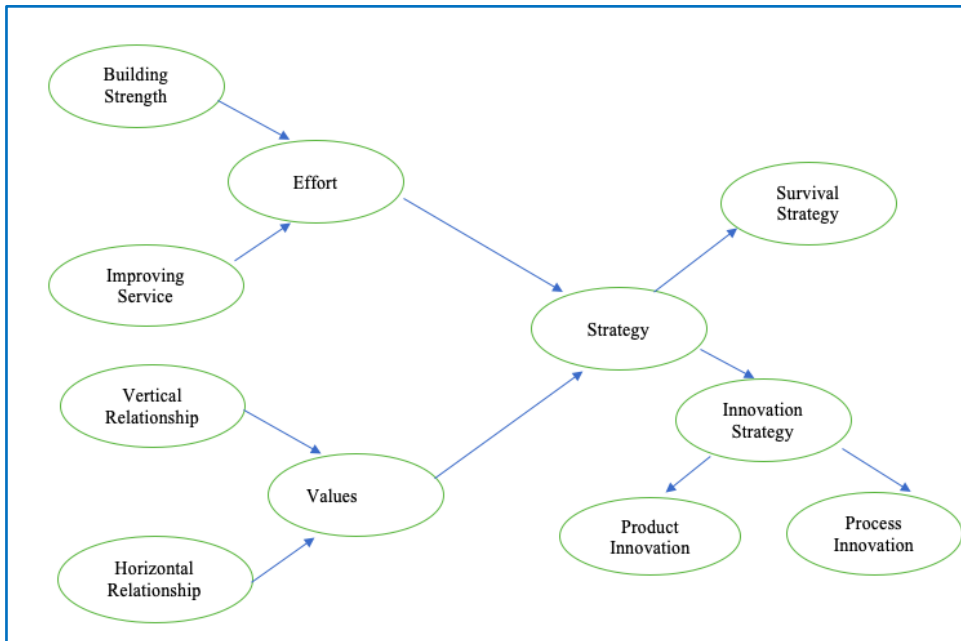


Figure I Research Model based on the Emerging Theme

Source: Data Analysis

Based on the model that we build from the result of this study we argue that Javanese Entrepreneurs' "Effort" in surviving the COVID-19 pandemic is reflected by building strength and by improving their service quality. Javanese entrepreneurs are using Vertical and Horizontal relationships as part of their "Values" in surviving the COVID-19 pandemic. "Effort" and "Values" together influence the forming strategy of Javanese Entrepreneurs to survive COVID-19 pandemic. The strategy of Javanese Entrepreneurs in surviving COVID-19 pandemic is in the form of Survival strategy and Innovation strategy with product and process innovation. Based on our research model we suggest some propositions namely:

Minor proposition 1: The "Effort" of Javanese Entrepreneurs are reflected in the form of Building Strength and Improving Service

Minor proposition 2: The "Values" of Javanese Entrepreneurs are reflected in the form of Vertical Relationship and Horizontal Relationship.

Minor proposition 3: Strategies of Javanese Entrepreneurs in surviving COVID-19 pandemic are in the form of Survival Strategy and Innovation Strategy.

Minor proposition 4: Innovation Strategy of Javanese Entrepreneurs in surviving COVID-19 pandemic is in the form of Product Innovation and Process Innovation.

Major Proposition 1: The "Effort" and "Values" of Javanese Entrepreneurs are influencing the forming of Strategy for Javanese Entrepreneurs in surviving COVID-19 pandemic.

In order to survive during COVID-19 pandemic, Javanese Entrepreneurs are building strength for their business in the form of reducing the number of employee, reducing the cost of production, closing some of the outlets, replacing employee with family member in order to reduce the cost as an act to balance the decrease of income. The use of technology as part of marketing and making purchasing activity easier for customers has become some of the ways of service improvement that is provided by Javanese Entrepreneurs. The result of our research is in agreement with the research of Thorgren and Williams (2020) cited in Adam and Alarifi (2021) that stated the SME business will focus on reducing the expenses and using digital technology in order to survive during a crisis.

The "Values" of Javanese Entrepreneurs are reflected in the form of Vertical and Horizontal Relationship. The research by (Vasconceloz, 2009) argue that someone who prays has a belief that he/she is supported by God in any phase of his/her life even in the most difficult time. That statement is congruent with the result of our research, we find that with performing Islamic rituals (Vertical Relationship), Javanese Entrepreneurs feel that Allah SWT will always support them in order to be able to overcome any problems so they can have calm and collected minds. Building Horizontal Relationship by maintaining communication with family members, friends, and colleagues brings a peace of mind for Javanese Entrepreneurs. This coincides with the research by Monnickendam-Givon et al. (2016) that the religious community has an important role for entrepreneurship in providing emotional support and management assistance in order to encourage the development of entrepreneurship.

Strategies of Javanese Entrepreneurs in surviving COVID-19 pandemic are in the form of Survival Strategy and Innovation Strategy. This is in line with the research by Duarte Alonso et al. (2020) that stated that in order to be able to survive during a crisis, entrepreneurs need to be able to innovate as a form of their ability to adapt to changes. Entrepreneurs Javanese in this study also able to recover quickly from the drawback during the initial phase of COVID-19 pandemic because they own resilient character as one of the key characteristics for the entrepreneurs to be able to survive during the challenging time like has been mentioned by the study of (Hidayat et al., 2020).

The Innovation Strategy of Javanese Entrepreneurs in surviving COVID-19 pandemic is in the form of Product Innovation and Process Innovation. This proposition is in line with the study by Vasconceloz (2009) that confirms that innovation is one of the most important aspects in determining the ability of the Small-Medium Enterprise to survive during COVID-19 pandemic.

The "Effort" and "Values" of Javanese Entrepreneurs are influencing the forming of Strategy for Javanese Entrepreneurs in surviving COVID-19 pandemic. This proposition is in line with the study of Vasconceloz (2009) that stated Values can help the process of decision making as part of strategy especially in times of crisis. Our proposition is also in agreement with the study of Gümüşay (2015) that stated Islamic religion is influencing organization in many areas which include strategy, organization, human resources, and marketing. "Effort" of Javanese Entrepreneurs is influencing the forming of strategy because Javanese Entrepreneurs in this study is actively find ways to survive during COVID-19 pandemic by Building Strength and Improving Service which is congruent with the result of the study by Anggadwita et al. (2017) that stated Islamic religion is encouraging the Javanese Entrepreneurs to be an active and innovative entrepreneurs.

## **5. Conclusion**

This research is trying to build the model on how Javanese Entrepreneurs are surviving the COVID-19 pandemic by using "Effort" and "Values" and how these two variables influence the strategy forming of Javanese Entrepreneurs using qualitative approach with

phenomenology research design. Since the research is still in the early stage, the result of this study can not be generalized and still need further research using a quantitative approach to test the model. However analytical generalization is still possible, the step by step of research namely the data collection procedure and data analysis process can be applied in other settings with different context such as different communities of different religions.

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