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Abstract. One place for students who want to learn about entrepreneurship through After the Covid-19 Pandemic caused high environmental pressure to occur. One of them occurred in the increasingly uncertain sector of the country's economy. There are many things that can be done to provide economic solutions, one effective way is through improving the performance of MSMEs. Micro, Small and Medium Enterprises (MSMEs) have important characteristics in economic development, both in developing and developed countries. The importance of the role of MSMEs in helping the country's economy, it is hoped that the longer the development of MSME performance will increase. The strategy decision emerged as a response to the current decline in MSME graphics performance, with steps. Strategic planning in small companies is much more informal compared to large businesses, however, MSMEs must continue to develop new missions, goals, strategies and policies, to then compare external opportunities and threats with their potential strengths and weaknesses. In this study MSME innovation as an additional stimulus because innovation is thought to increase competitive advantage, understanding the relationship between performance and innovation in micro, small and medium enterprises can help the company's competitive strategy. The method used in this research is Systematic Literature Review (SLR) by collecting and analyzing journals. related to keywords. Based on the literature study conducted, it was found that the strategic decisions made by MSME actors were still not quite right, on average MSME actors made short-term strategic decisions. Meanwhile, the innovation of MSME actors is very qualified to have a competitive advantage and competitiveness. The results of the research have implications for the first two things in the behavior of MSMEs, it is hoped that they will continue to improve their abilities creatively, innovatively and adaptively, both parties the government is expected to continue to improve and equip MSMEs facilities evenly and improve mentoring programs / training for MSMEs.

Keywords: MSME Performance, Strategic Decisions, Innovation Management.
INTRODUCTION

We have all gone through a global problem, namely the Covid-19 pandemic. The Covid-19 pandemic lasted for approximately three years, the impact of the outbreak was very diverse, not only on health but also on the behavior of the global order, apart from the physical health of the country, it also focused on the health of the economy, which had a significant declining impact. One effective way to revive the economy is through the role of MSMEs. Its role in a country is very strategic, another strategic goal of MSMEs is to increase income, where MSMEs actively negotiate with the government to discuss poverty (Suroso et al., 2021; Tjandera & Hariandja, 2019).

Micro, Small and Medium Enterprises (MSMEs) have important characteristics in economic development, both in developing and developed countries. According to Cueto et al., (2022); Setyawati et al., (2022); Wati et al., 2020) in developing countries such as Indonesia, it is now widely accepted that MSMEs have a very important role in increasing productivity and raising performance standards. There are many stories about the success that MSMEs have achieved in this post-pandemic era, but many have also gone bankrupt. Based on data from the Central Statistics Agency (BPS), the number of MSME workers in 2018 reached 97% of the total national workforce, accompanied by a total of 60 million units. MSMEs contribute a contribution of IDR 850 trillion per year to the Gross Domestic Product (GDP), but in 2018, MSMEs are known to have experienced a decline. The decline in the performance of MSMEs was caused by the sluggish trade and industry sectors, which resulted in a reduced contribution of MSMEs to the national economy (BPS, 2018).

Based on data findings from BPS above the importance of the role of MSMEs in helping the country's economy, it is hoped that the longer the development of MSME performance will increase. Performance can be interpreted as the level of achievement obtained for certain work results, while performance in business activities can be interpreted as the level of achievement of results for the realization of the objectives of these business activities (Kurniawan et al., 2023; Octasylvia et al., 2022; Ratnawati, 2020). The development and growth of MSMEs is one of the crucial driving forces for economic development in many countries in the world. Based on experience in developed countries, it shows that MSMEs are a source of production and technological innovation, the growth in the number of entrepreneurs who are creative, innovative, creating skilled
and flexible workforce in the production process to deal with rapid changes in market demand (Lubis & Irawati, 2022; Noor Salim et al., 2020; Nurcaya et al., 2022; Official et al., 2021).

Hanggraeni et al., (2019); Syaifullah et al., (2021) stated that every organization that carries out business activities will expect to always get the best performance results even though the global situation will always fluctuate. MSMEs as organizations that carry out business activities will also have hopes of having good and increasing performance so that the goals of MSMEs will be achieved (Bhatti et al., 2022; Esubalew & Raghurama, 2020; Kilay et al., 2022; Latifah et al., 2021). Changes in cooperative relationships that occur with business partners are one of the many factors that can affect the continuity of business processes. Delays in business processes will cause a decrease in MSME performance (Kawira et al., 2019; Purwanto et al., 2022).

Likewise with the decline in performance that occurs in MSME business actors, there are things that can affect it. One factor that is strongly suspected of influencing the performance of an MSME business is the poor implementation of strategic management (Benneth Uchenna et al., 2019; Muafi, 2020; Purnamawati & Yuniarta, 2021). New MSMEs are bigger, but actually they also have a higher level of risk of failure (Junaidi, 2023; Kyal et al., 2022; Nadeak et al., 2021). According to Baral et al., (2022); Hermawati, (2020); Kumar et al., (2022) the causes of the failure of some MSMEs range from the inadequacy of the accounting system and failure to anticipate growth. The most basic problem is poor strategic management practices, such as the inability to plan effective strategies to reach customers, as well as the failure to develop performance measurement and control systems (Abdel-Basset et al., 2018; Childers et al., 2019; Huang & Rust, 2021). In practice, strategic planning carried out by owners or managers of small companies is minimal, not in-depth, and only routine.

Strategic management emerged as a response to increasing environmental upheaval. This is in line with the statement of George, B., Walker, R. M., & Monster, (2021); Kamiński et al., (2018); Sharma et al., (2020) which states that strategic management is a fast-growing field of science, looks at overall company management and tries to provide an explanation why some companies thrive and why other companies don't progress and eventually go bankrupt. Furthermore, Bryson et al., (2018); Gomez-Mejia et al., (2018); van Ruler, (2018) states that a special feature of strategic
management is the emphasis on making strategic decisions, making a very important strategic decision. Before implementing these strategic decisions, company leaders must conclude and analyze all matters related to their company. Including analyzing all competitors, identifying customer groups, which in the end it is hoped that the company can have a competitive advantage (Beugelsdijk et al., 2018; Brauer & Wiersema, 2018).

Researchers generally argue that the strategic planning process in small companies is much more informal compared to large businesses, however, MSMEs must continue to develop new missions, goals and strategies as well as policies, to then compare external opportunities and threats with external strengths. and its potential weaknesses (Abubakar et al., 2019; Bienhaus & Haddud, 2018; Hanaysha, 2018; Masoomi et al., 2022). One of the stages that must be carried out in making strategic decisions is to develop the basic idea of the business. The basic idea of this business involves a product and or service that has a target customer and market (Beugelsdijk et al., 2018; Masoomi et al., 2022; van Ruler, 2018). The idea can be based on creative insight developed or someone's experience. Another stage that must be passed is observing the internal and external environment, analyzing the weaknesses, strengths, opportunities and threats of the business, which in the end a strategic decision can be made.

Research results from Rao et al., (2019); Yun, (2022); Zheng et al., (2022) Strategic decisions have a direct effect on innovation in MSMEs, have a direct effect on organizational capabilities. In this study MSME innovation as an additional stimulus because innovation is thought to increase competitive advantage, understanding the relationship between performance and innovation in micro, small and medium enterprises can help the company's competitive strategy. Opinion from Kurniawati et al., (2021); Solarte-Montufar et al., (2021) which requires innovation to be well accepted as an important factor in modern organizations in order to increase their competitive advantage. In contrast, Adiandari's opinion, (2022) states that small companies are not involved in innovative practices.

Recognizing that there is a gap regarding the implementation of innovation in MSMEs, it is necessary to carry out further research, to find out more deeply, whether the implementation of innovation in MSMEs will really have an impact on building and maintaining an MSMEs. If it has a significant effect, how big is the influence, and if it is not significant, what is the cause. In the opinion of researchers, innovation must be
implemented in every business (Candra et al., 2022; Dambiski Gomes de Carvalho et al., 2021; Hudnurkar et al., 2022). This is in accordance with the basic nature of humans who like new things that are interesting, of higher quality and competitive prices, although it does not rule out the possibility that there are types of humans who prefer old products that have been trusted for their benefits, and price is not a problem.

Seeing that there is so much information about new products from various parts of the world that easily, and within seconds reaches consumers, so that new products that offer more attractive products are always popping up, it is best to apply innovation to the company, whether that is for large businesses and MSMEs (Singh, 2019; Sultan & Sultan, 2020). The importance of an innovation is intended so that MSME actors continue to find creative ideas, remain productive and can have a competitive advantage. Factors that form competitive advantage play a role in achieving optimal performance (Raghuvanshi & Garg, 2018). Therefore, it is important for MSMEs to increase their competitive advantage in order to grow and develop and be successful.

Based on the description above, a novelty or research update can emerge on the performance of MSMEs which is improved through strategic decisions with innovation as a support after the Covid-19 pandemic. From the background and previous research as described above, the research aims to complement the gaps in previous studies by conducting a comprehensive study of the performance of MSMEs in the post-pandemic era which is important for improvement, and a strategic decision and innovation in supporting MSME performance. Researchers are motivated to do this research because of the important role of MSMEs in helping the country's economy and can reduce unemployment problems in the country. And MSME business actors are expected to increase, have competitive advantages and collaborate with each other with other MSME communities.

THEORETICAL

The review of the theories described in this research comes from several relevant previous studies, as the basis for the theoretical framework, determination, and research analysis. Furthermore, in this section, successive discussions of:
MSME Performance In Indonesia

MSME development in Indonesia is one of the priorities in national economic development. This is because MSMEs are the backbone of the people's economic system which is not only aimed at alleviating poverty and employment, but also reducing the problem of disparities between business actors and income groups (Bhatti et al., 2022; Hanggraeni et al., 2019; Latifah et al., 2021). More than that, its development is able to make a significant contribution in accelerating structural change and broadening the economic base, namely increasing the regional economy and national economic resilience.

Programs and activities carried out by the government in an effort to develop the MSME sector have obtained good results. The results of activities and increasing the role of MSMEs are increasingly visible, especially since the era of the economic and financial crisis in 1997. Apart from showing increasing development, the activities and roles of MSMEs are also able to support national economic growth. Research on MSMEs is one of the supports to continuously find the best solutions so that MSMEs can continue to grow, develop and survive in the era of globalization.

Strategic Decision

Gomez-Mejia et al., (2018); Huang & Rust, (2021); Kamiński et al., (2018) provide a definition of an entrepreneur which is defined as someone who manages, organizes a business, and takes risks for profit, and in the end is a strategic manager. The strategic manager will make all operational and strategic decisions. As said by an entrepreneur, that an entrepreneur is a strategic planner even though the entrepreneur is not aware of what he is doing (George, B., Walker, R. M., & Monster, 2021; Sharma et al., 2020)

Bryson et al., (2018) stated that, strategic management is a science that combines management functions in the context of making strategic organizational decisions, to achieve organizational goals efficiently and effectively. Strategic management is increasingly important in its benefits and meaning when it is remembered that the company's environment is experiencing increasingly complex and rapid changes, so that the success of strategic management is also determined by its leaders and managers. In relation to environmental changes, managers have a role to manage the company as an
open system, develop goals, objectives and plans, then unite all of these activities in a broad line (Beugelsdijk et al., 2018; Brauer & Wiersema, 2018; Hanaysha, 2018).

**Innovation Management**

In this study what is meant by innovation is a way to continue to develop and build organizations that can be achieved through the introduction of new technologies, new applications in new organizational forms. According to Rao et al., (2019); Yun, (2022); Zheng et al., (2022) Innovation must be distinguished from creativity, innovation is something new or transferring new ideas for the success of a business, while creativity is new ideas. Kurniawati et al., (2021) stated that innovation is a means by which organizations respond to various changes in the environment. Innovation refers to new ideas, products and methods or services that can be implemented within the organization. Other opinions view innovation as the nature of a multi-dimensional organization, as Solarte-Montufar et al., (2021) stated that innovation can be seen through five dimensions, namely, creativity, openness to change, risk taking, orientation to future, and pro-activity.

**RESEARCH METHODS**

This study uses systematic literature review (SLR) which discusses issues regarding improving MSME performance in the post-pandemic era through Strategic Decisions and Innovation. Literature study research is a process or activity of collecting data from various literature such as books and journals to compare the results of one study with another (Nowell et al, 2014).

The purpose of this literature study research is to obtain a theoretical basis that can support solving the problem being researched and reveal various theories that are relevant to the case, more specifically in this study the researcher examines the problem of MSME performance through Strategic Management and Innovation. This literature study is a comprehensive summary of several research studies that are determined based on a particular theme. The data used in this research is secondary data obtained not from direct observation, but obtained from the results of research that has been conducted by previous researchers.
The secondary data source obtained is in the form of articles from reputable journals with predetermined themes. The literature search in this literature study uses the Sagepub, Springer, Elsevier, MDPI and Emerald Insight databases. Searching for published articles on the search engines above uses the keywords: "MSME Performance, Pandemic Covid-19, Strategic Management, and Innovation". The search process or search process is used to obtain relevant sources to answer the research question (RQ) and other related references using Search Engine Dimensions (https://www.emerald.com/insight/). From the identification results obtained more than 4750 articles. Furthermore, articles were filtered according to access criteria, year, type of content and abstract analysis. As a result, 291 article titles were obtained. From the title of the article, then filtered based on the feasibility of the topic of digital transformation through abstract analysis, the results obtained were 8 articles. In detail, it looks like in the following image:

![Article Screening Flowchart](image)

**Figure 1. Article Screening Flowchart**
RESULTS AND DISCUSSION

RESULTS

The results of the study of selected articles answer the formulation of the problem regarding the distribution of journals that discuss Entrepreneurship Learning in Higher Education through Business Incubators, as follows:

<table>
<thead>
<tr>
<th>No</th>
<th>Journal Name</th>
<th>Journal Link</th>
<th>Indexation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Journal of Management</td>
<td>Journal of Management</td>
<td>Sage Publish</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Journal of Innovation and Knowledge</td>
<td>Journal of Innovation and Knowledge</td>
<td>Elsevier</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Economic Development Quarterly</td>
<td>Economic Development Quarterly</td>
<td>Sage Publish</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>Journal of Science and Technology Policy Management</td>
<td>Journal of Science and Technology Policy Management</td>
<td>Elsevier</td>
<td>3</td>
</tr>
<tr>
<td>6</td>
<td>Sustainability</td>
<td>Sustainability</td>
<td>MDPI</td>
<td>4</td>
</tr>
<tr>
<td>7</td>
<td>European Research on Management and Business Economics</td>
<td>European Research on Management and Business Economics</td>
<td>Elsevier</td>
<td>2</td>
</tr>
<tr>
<td>8</td>
<td>Cogent Business and Management</td>
<td>Cogent Business and Management</td>
<td>Taylor &amp; Francis</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: processed by researchers, 2023

Discussion

Systemically the use of strategic management has a role in improving company performance (Childers et al., 2019; Huang & Rust, 2021; Kilay et al., 2022; Latifah et al., 2021). Strategic management is used to identify the most optimal value chain for the company, thus, strategic management is required to broaden its perspective, not only from an operational point of view, but also from a marketing point of view (Muafi, 2020; Purnamawati & Yuniarta, 2021). There are several previous studies that examined the effect of the use of strategic management on company performance. The results of these studies indicate that the use of strategic management has a positive impact on company performance (Gomez-Mejia et al., 2018; Kamiński et al., 2018; Kyal et al. al., 2022; Nadeak et al., 2021; Sharma et al., 2020). Thus it can be stated that the use of effective
strategic management in the company is able to have an impact on increasing the performance of the company. This is because strategic management does not only look at it from an operational point of view, but also from a marketing point of view. The impact of every value chain associated with the company's business processes can be monitored optimally and the company's performance can increase.

Some researchers apply strategy in entrepreneurship covering four aspects, namely, 1) the scope of the strategy which has the meaning of mixing between products and or markets, 2) deploying organizational resources as a competitive mechanism and will produce core competencies, 3) utilizing resources and organizational scope to gain competitive advantage, and 4) integrate the utilization of organizational resources to gain competitive advantage. Included in the implementation of a business operations strategy is a strategy for making decisions (Abubakar et al., 2019; Beugelsdijk et al., 2018; George, B., Walker, R. M., & Monster, 2021; Hanggraeni et al., 2019; Kurniawan et al., 2023).

This relationship with micro, small and medium enterprises (MSMEs) is different from large companies. Has its own custom attributes and management keys. Corporate strategy also has a fuzzy attribute. Using the Analytical Hierarchy Process and Fuzzy Control Theory, a two-stage model was created in making strategic decisions for micro, small and medium enterprises. This model can develop competitive core competencies of MSMEs, make business development strategies clearer and increase the effectiveness and scientific attributes in making strategic decisions for MSMEs. MSME development is a challenge for Indonesia to be able to increase its role and contribution to national development. Broadly speaking, there are three planning approaches that can be used in preparing the Micro, Small and Medium Enterprises (MSMEs) Industrial Strategy plans, namely:

1) The overall rational approach or rational comprehensive approach, which conceptually and analytically includes broad planning considerations, in which the broad considerations include various elements or subsystems that make up the overall system. Meyerson Banfield identified that there are 4 main characteristics of the overall rational planning approach, namely: (a) Based on a general policy that formulates the goals to be achieved as a unified whole. (b) Based on a complete,
comprehensive, and integrated set of objective specifications. (c) Precise forecasting and supported by a complete, reliable and detailed information system (data input). (d) Forecasting directed at long term goals. However, this approach has been criticized a lot because it is considered to have weaknesses such as the resulting product is perceived to lack relevant information and directions for stakeholders, the coverage of all elements is felt to be difficult to realize, the support of a complete and reliable information system usually requires sufficient funds and time. large, and in general the institutional coordination system has not been established in the framework of implementing development with an overall rational approach.

2) Disjointed Incremental Planning Approach, emerged as a response to the ineffectiveness of planning with an overall rational approach. Put forward by Charles E. Lindblom, et al, this approach has 3 main characteristics, namely: (a) Segregated plans do not need to be supported by a thorough review and evaluation of alternative plans. (b) Only consider the parts of the general policy which are directly related to the prioritized elements or subsystems. (c) With the limited scope of planning, namely on certain elements or subsystems, there is an assumption that implementation becomes easier and more realistic. However, it turns out that this approach also has weaknesses, such as due to a lack of overall insight, unexpected side effects often occur, it is considered only a short-term settlement effort that is not related to long-term goals and objectives, and is considered a "problem resolution". "patchwork" which is temporary so it has to be done continuously (inefficiently).

3) Disaggregated Approach Based on Comprehensive Consideration or Mixed Scanning Planning Approach or Third Approach (Amitai Etzioni), which is a combination of an overall rational approach with a disaggregated approach, namely simplifying the overall approach within the scope of insight at a glance and deepening the review of the strategic elements of the overall problem. The main characteristics of this planning approach are: (a) Planning refers to general policy lines that are determined at a high level, (b) Planning is motivated by a thorough insight and focuses in-depth analysis on the elements that are prioritized. (c) An in-depth forecast regarding the prioritized elements based on a brief prediction of the overall scope and
based on system insights. (d) Valued as a time saver and within the scope of review, analysis, and the technical process of preparing plans because there is simplification in macro analysis and analysis. (e) To support the results of forecasting and analysis at a glance, the process of monitoring, gathering opinions, communicating and consulting with interested communities and the government is carried out continuously starting from the formulation of the goals and objectives of the development plan.

In addition to the right management strategy, innovation is needed to continue to be productive and have a competitive advantage. In the end, even the strongest MSMEs will experience difficulties if they do not prepare for the future which will always be different and will always arrive. MSMEs who do not dare to take risks to make new things, these MSMEs must be prepared to take risks and be surprised by something that will really happen. The company will soon lose its competitive advantage and supremacy, what is then left is its operating costs. This is a risk that even the rich and giant MSMEs cannot bear, and it doesn't need to happen to small businesses. He regards complacency and self-isolation as the enemies of innovation.

According to Yun, (2022); and Zheng et al., (2022) innovation is a dynamic process that creates wealth that develops little by little, by individuals or groups through the use of resources. Entrepreneurs will innovate and change things to meet changing consumer demands as well as act as agents of change. The problem with custom-based innovation is that appropriate technology is needed. The abundant supply of products for consumers and increasing competition in the market are creating pressures on micro, small and medium enterprises (MSMEs). Improvements are needed in the development of new products, product quality, and diversification as well as making competitive products.

If viewed from the government's point of view, legal protection for innovation is needed, product development and opening of business areas must also be subsidized appropriately, from the research side, the implementation of research should be exempt from tax. The introduction and use of new technologies and the need for additional capital from loans, are subject to low interest rates. Likewise, fees for patents should be reduced or waived. Another opinion is about entrepreneurship, mentioned by him that,
entrepreneurship is universally recognized as an important resource in the process of economic development of a country.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS
Strategic program and steps can continue to improve the performance of MSMEs, the importance of the development of MSMEs which must continue to increase can make it a benchmark for the country's economy. With the development of MSMEs in the regions, it will increase regional income and reduce the unemployment rate in the area. Strategic steps in managing MSME management are still basic and there is a need for tactical steps in making strategic decisions. The need for strategic management so that it continues to develop in MSME thoughts. Appropriate innovation in the post-covid-19 pandemic era, product development and the opening of both conventional and digital business areas must also be increased. Collaborative innovation with various stakeholders and MSME partners for the introduction and use of new technology, capital and other useful things.

RECOMMENDATIONS
Based on the above conclusions, researchers can provide suggestions that will help develop the performance of MSMEs in the future, including the need for MSME actors to increase their export capabilities, have an innovation that can find competitive advantage values, high competitiveness, contribution of added value and employment, labor productivity, and capital productivity. The need to make patterns and common references in preparing programs for the benefit of development and the distribution of roles from various related institutions involved in the development of MSMEs in the regions. a conceptual, directed and effective coaching system that guides the supervisory apparatus in improving the performance of MSMEs.
REFERENCES


http://erepo.usiu.ac.ke/handle/11732/3549?isAllowed=y&sequence=1


