

ANALYSIS ENTREPRENEURIAL CHARACTERISTIC THAT SUPPORTS CULINARY ENTREPRENEURS TO SURVIVE DURING COVID-19 PANDEMIC

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Abstract

During COVID-19 pandemic, almost all economic sector in Indonesia fell. Accommodation, food and beverage (culinary) sectors were the third largest industry after the manufacturing and construction industry, which laid off workers. There was one interesting point, in this pandemic storm MSMEs were affected quite badly compared to the economic crisis hit in late 90s. Another interesting point was that some of MSMEs suffered from profit decrease to loss and even bankruptcy. However, some MSMEs could survive. What makes them survive? Through researchers observation, we saw that culinary entrepreneurs as respondents consider some behaviors to be the key to their business survival during the pandemic. Based on theory these behaviors are considered as entrepreneurial characteristics. The research objective of this article is to test confirmation among respondents that entrepreneurial characteristic is the key to survival regarding the demographic and experience factors. This research used a descriptive quantitative method and Levane's test for equality of variances. As the result respondents showed no differences based on their demographic and experience factors to see that entrepreneurial characteristics is the key of their survival during the pandemic.

Keywords: *Entrepreneurial Characteristics, Culinary Entrepreneurs, Pandemic.*

Introduction

At the end of 2019, in the city of Wu Han, Hubei province, China, the COVID-19 virus has spread which eventually has become a pandemic in all parts of the world. In March 2020, on March 2, 2020, to be exact, President Joko Widodo announced the first 2 cases of Covid-19 in Indonesia. Since then, the Indonesian government has imposed large-scale social restrictions, not a total lock down, to prevent the rapid spread of the virus and to reduce the rate of increase in the number of positive cases of Covid-19.

Restrictions on social activities on a large scale are like a double-edged sword. On the one hand it is considered effective in reducing the rate of spread of the virus but on the other hand it is slowing down the rate of economic growth because it disturbed supply and demand of goods and services (Priya, Cuce, & Sudhakar, 2021). Vitenu-Sackey & Barfi (2021) said that the pandemic has heightened economic fallouts causing a global

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crisis and a lot of people experiencing unemployment due to the collapse of businesses because of the disruption in demand and supply.

In Indonesia, the impact of these large-scale social restrictions can be seen from the decline in economic growth in the second quarter of 2020 which experienced a contraction of -5.32% (YoY) where the accommodation and food and beverage sectors experienced the second deepest contraction, by -22.02% (YoY) (Assistant Deputy for Regional Economy and Real Sector and Deputy for Macroeconomic and Financial Coordination 2021).

Then, when viewed from the type of industry, which type of industry has fired the most employees during the Covid-19 Pandemic? According to Assistant Deputy for Regional Economy and Real Sector and Deputy for Macroeconomic and Financial Coordination, the accommodation, food and beverage (culinary) industry is the third largest industry after the manufacturing and construction industry, which has laid off workers during a pandemic, namely 50.52% (2021). According to Costa, as quoted by Gomes et. al (2022), with the presence of COVID-19, several restaurants closed for a period, and others adapted, providing takeaway services and home deliveries; in addition, this disease required a global change regarding food safety and customer health care.

There is one interesting point of this study report about Impact of the Covid-19 Pandemic on Employment in Indonesia (2021), that is, when viewed from the size of the business scale Patma (2021), the reduction in the number of workers occurred more in medium and large businesses, which was 46.64%, compared to micro-small businesses, which was 33.23%. This indicates that MSMEs are more able to maintain their workforce, and that means they have an important role to play in maintaining national economic stability (Keskgñ, Ğentürk, Sungur, & Kğrgğ, 2010).

But, from the data of Bank Indonesia in March 2021, 87% of MSMEs were affected by the COVID-19 pandemic, and most of these MSMEs suffered from a severe decline in sales (Gunadi, Lesmana, Fachrizah, Revindo, & Daniswara, 2022). Then, what does MSME need to survive in this pandemic era? According to Gunadi's research results (2022), business transformation and internal strategy are one of the conditions for MSME to survive.

Based on the observations of researchers, when large-scale social restrictions are carried out, where consumers are not allowed to dine-in, many restaurants, cafes, food stalls use food delivery services or use marketplaces to sell their products. During that time, some cafes offered coffee in the bottle (1 liter or 250 ml or 500 ml) so their customers could enjoy their coffee with their family at home and keep those coffee in the chiller at home.

Some noodle restaurant owners also offer ready-to-eat frozen noodles. Even many shabu-shabu or barbecue restaurants have changed the type of service, where they sell raw meat complete with seasonings, so that consumers can cook the menu at home. The efforts made by entrepreneurs to keep their culinary business running during the Covid-19 pandemic require special characteristics as an entrepreneur (Purnomo, Adiguna, Widodo, Suyatna, & Nusantoro, 2021).

However, researchers also found some entrepreneurs in the food and beverage sector who were able to develop their business during the Covid-19 pandemic. For example, at first they only sold online one type of food either cookies or frozen food only, but since the Covid-19 pandemic, they have received requests to provide daily catering or side dishes, and they accepted those requests. Not everyone dares to take up the offer to do something they've never done.

These entrepreneurs dare to seize these opportunities and dare to take existing risks. This shows they do have special characteristics as entrepreneurs. Through these observations, researchers get perceptions of entrepreneurial characteristics that respondents consider to be the key to make their business survive during the pandemic (Khan, Azharuddin, Khan, & Ali, 2021). Research objectives of this paper is to test confirmation that culinary entrepreneurs showed no difference in their perceptions that entrepreneurial characteristics are the key to survival no matter the demographic and experience factors of the respondents.

Hisrich et.al (2014) said, entrepreneurship is “the process of creating something new and assuming the risks and the rewards”. Meanwhile, Subramani (1990) said, entrepreneurship is an overarching act by one or more with versatile skills in identifying, seizing, and managing an unexplored but risk-prone and profitable economic and market opportunity by adding value to it by seeing, seeking, and making the desired change in the needed service or product, using creativity and innovation, based on projections of environment scanning”.

According to Barringer and Ireland (2015), entrepreneurship is “defined as the process by which individuals pursue opportunities without regard to resources, they currently control for the purpose of exploiting future goods and services.” From those definitions, it can be said that entrepreneurship is a process of action to create something new, using creativity and containing calculated risk (Chen, Greene, & Crick, 1998).

According to Subramani (1990), “entrepreneur is a motivated, farsighted, speculative, and undaunting individual or a group of people with awesome versatile skills with which they scan, identify and seize profitable but risk-prone untapped market and economic opportunities by judiciously organizing, supervising, coordinating, controlling, and human engineering of all the scarce resources, means of production, and events related to an altogether new, value-added, creative, innovative and enterprising venture meeting a felt-need unmet otherwise”

Francis Hébert (1989), said that an entrepreneur was a person who is born with above average talent with respect to organization and coordination of factors of production. And, Hisrich (2014) said that an entrepreneur is: “a kind of behavior that includes initiative, organizing resources, acceptance of risks”. From those definitions it can be concluded that an entrepreneur is a person who is inclined and has the initiative to take measurable risks and has the ability to organize all available resources to start a business.

Entrepreneurs have unique characteristics. As quoted by Kuratko and Hodgett (2007), Hornaday said that there are 42 entrepreneurial characteristics. Those

characteristics are confidence; foresight; profit orientation; cooperativeness; determination, perseverance; energy, diligence; responsibility; resourcefulness; accuracy, thoroughness; ability to take calculated risks; dynamism, leadership; optimism; egotism; courage; ability to learn from mistakes; sense of power; need to achieve; pleasant personality; creativity; versatility, knowledge of product, market, machinery, technology; imagination; ability to influence others; ability to get along well with people; flexibility; perceptiveness; initiative; tolerance for ambiguity; aggressiveness; intelligence; efficacy; commitment; orientation to clear goals; capacity for enjoyment; positive response to challenges; independence; ability to trust workers; sensitivity to others; honesty, integrity; maturity, balance; responsiveness to suggestions and criticism; time competence, efficiency; ability to make decision quickly.

Hines, as quoted by Ludmila Kozubíková Ján Dvorský Martin Cepel (2017) believes there are at least 9 other characteristics (apart from the fact that successful entrepreneurs should be honest, intelligent, skillful and well-educated in their chosen fields) that he values highly: energy level, ego, courage, enthusiasm, desire to make money, creativity, resourcefulness, tenacity, and leadership qualities.

Meanwhile, Garcia & Saiz Alvarez (2018) did not state specific entrepreneurial characteristics. They just stated, if entrepreneurs want to have success, they must identify business opportunities, be able to choose and manage entrepreneurial careers, and be capable of acting entrepreneurially by being adapted to business circumstances given their capacity of resilience to failure (2017).

When viewed from all the expert opinions above regarding the characteristics of entrepreneurs, it can be concluded that Hornaday's Entrepreneurial Characteristics is the most complete and includes all the characteristics expressed by other experts. Therefore, this research used Hornaday's 42 entrepreneurial characteristics.

Research Methods

This is a quantitative descriptive study and uses 150 respondents who are MSME culinary entrepreneurs in Jakarta Indonesia. The sampling technique used to select the 150 respondents was quota and accidental sampling techniques. So, the quota sampling technique was carried out to determine that 150 respondents equally taken from 5 regions in Jakarta (north, east, west, south and central) thus 30 respondents from each region. Accidental sampling technique was used to collect data from respondents that were available and willing to fill the questionnaire.

From those questionnaires obtained respondents perception's mean score of entrepreneurial characteristics considers to be the important factor to support them to survive in this pandemic storm. Then researcher used Levane's test for equality of variances technique to see the equality or inequality of variances between two groups of respondent's demographic and experience factors tested.

If the Levane's test for equality showed significance level ≤ 0.05 means that there is difference in variance between two groups tested or there is difference in respondent's perception of entrepreneurial characteristics as the key point to survive in the pandemic.

Analysis Entrepreneurial Characteristic That Supports Culinary Entrepreneurs to Survive During Covid-19 Pandemic

Demographic factors were divided into 3 variables that were: a) Gender, grouping into male and female. b) Last education level, grouping into high school or less and diploma/bachelor degree or higher. c) Age, grouping into 30 years or less and above 30 years.

Experience factors were divided into 3 variables that were: a) Working experience, grouping into respondents with and without working experience prior running the culinary business. b) Duration running the business, grouping into respondents that less than 5 years and 5 years or more already running the culinary business. c) Culinary background, grouping into respondents that have working experience or education background in culinary and respondents that didn't have working experience or education background in culinary.

Results and Discussion

Respondents Profile

In terms of demographic factors, here are the respondents profile overview: a) Gender: male (63%), female (37%). b) Last education: high school or less (73%), diploma/bachelor or higher (27%). c) Age: 30 years or below (46%), above 30 years (54%)

In terms of experience factors, here are the respondents profile overview: a) Having working experience before running the business: yes (65%), no (35%). b) Years in culinary business: less than 5 years (51%), 5 years or more (49%). c) Having working experience or educational background in culinary: yes (35%), no (65%). Results for Levane's test for equality of variances described as below

Table 1 Levane's Test for Equality of Variances for Demographic and Experience Factors

	Levane's Test for Equality of Variances (F test)	Equality of Means (t test)
Gender	0.714	0.599
Education	0.423	0.06
Age	0.179	0.946
Work Exp	0.842	0.688
Years Exp	0.314	0.835
Culinary Exp	0.652	0.463

For gender, table 1 show Levane's test for equality of variances (F test) 0.714. Since the significance level > 0.05 , it means based on gender both male and female respondents have same variance. Referring to this, equality of means (t test) using equal variance assumed showed significance 0.599 (> 0.05). This means that both groups have no difference in mean score. So, respondents both male and female have same perceptions of entrepreneurial characteristics as the key point to survive in pandemic.

For education level, table 1 show Levene's test for equality of variances (F test) 0.423. Since the significance level > 0.05 , it means based on education level both respondents with high school or less and respondents with diploma/bachelor degree or higher have same variance. Referring to this, equality of means (t test) using equal variance assumed showed significance 0.06 (> 0.05). This means that both groups have no difference in mean score. So, respondents with last education high school or less and diploma/bachelor or higher have same perceptions of entrepreneurial characteristics as the key point to survive in pandemic.

For age, table 1 show Levene's test for equality of variances (F test) 0.179. Since the significance level > 0.05 , it means based on age both 30 years or below and 30 years above respondents have same variance. Referring to this, equality of means (t test) using equal variance assumed showed significance 0.946 (> 0.05). This means that both groups have no difference in mean score. So, respondents with age 30 years or less and above 30 years have same perceptions of entrepreneurial characteristics as the key point to survive in pandemic.

For working experience, table 1 show Levene's test for equality of variances (F test) 0.842. Since the significance level > 0.05 , it means based on working experience both respondents with and without working experience before running the business have same variance. Referring to this, equality of means (t test) using equal variance assumed showed significance 0.688 (> 0.05). This means that both groups have no difference in mean score. So, respondents with and without working experience prior to running the business have same perceptions of entrepreneurial characteristics as the key point to survive in pandemic.

For duration in running culinary business, table 1 show Levene's test for equality of variances (F test) 0.314. Since the significance level > 0.05 , it means based on duration respondents with 5 years or more and less than 5 years experience have same variance. Referring to this, equality of means (t test) using equal variance assumed showed significance 0.835 (> 0.05). This means that both groups have no difference in mean score. So respondents with 5 years or more and less than 5 yearsexperience have the same perceptions of entrepreneurial characteristics as the key point to survive in pandemic.

For having culinary experience in work or education before, table 1 show Levene's test for equality of variances (F test) 0.652. Since the significance level > 0.05 , it means based on culinary experience respondents with and without working or culinary education background have same variance. Referring to this, equality of means (t test) using equal variance assumed showed significance 0.463 (> 0.05). This means that both groups have no difference in mean score. So, respondents with and without working or culinary education background have same perceptions of entrepreneurial characteristics as the key point to survive in pandemic. All these results showed us that all culinary entrepreneurs no matter of their demographic and experience factors agree during the hard times in business in order to survive, entrepreneurial characteristics is the key point.

Conclusion

As mentioned earlier, during hard times like Covid-19 pandemic, entrepreneurs were struggling and “juggling” with several strategies in order to survive. Beneath all these survival strategies lies entrepreneurial characteristics inside the entrepreneurs. In other words, we can say that these entrepreneurial characteristics were the factor that enabled survival strategies. This article proves that entrepreneurial characteristics as the key point of survival during the pandemic time among culinary entrepreneurs in Jakarta. It was confirmed since there was no difference even the demographic and experience factors were different among respondents.

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