

## Resilience of Micro, Small, and Medium Enterprises Based on Islamic Entrepreneurship

Sinta Kasim <sup>1\*</sup>, Muh. Nasir Hamzah <sup>2</sup>, Amiruddin Kadir <sup>3</sup>, Muhammad Wahyuddin Abdullah <sup>4</sup>

<sup>1</sup> Department of Sharia Economic Law, Faculty of Islamic Religion, Universitas Muslim Indonesia, Indonesia

<sup>2</sup> Department of Management, Faculty of Business and Finance, Institut Bisnis dan Keuangan Nitro, Indonesia

<sup>3</sup> Department of Islamic Banking, Faculty of Islamic Economics and Business, Universitas Islam Negeri Alauddin Makassar, Indonesia

<sup>4</sup> Department of Accounting, Faculty of Islamic Economics and Business, Universitas Islam Negeri Alauddin Makassar, Indonesia

\* Corresponding author: [mukhlishahsnkss@gmail.com](mailto:mukhlishahsnkss@gmail.com)

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### ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) have a very important role in socio-economic development in Indonesia. But the problem that often occurs is its vulnerability to changes that result in losses. This is because MSMEs have limited resources. In fact, MSMEs have proven to be a safety valve for the national economy and are able to survive and become economic drivers, especially during times of economic crisis. The results showed that the resilience of MSMEs in terms of their competitive advantage is easily replicated and replaced at any time, depending on their ability to manage and run a business. So it takes resources and capabilities to achieve core compatibility. The resilience of MSMEs in facing uncertain crisis conditions must be supported by the application of Islamic Entrepreneurship, this is because resilience is influenced by two factors, namely Internal and External. These internal factors cannot be eliminated by humans in running life, namely spirituality, faith, and optimism. Because sharia refers to the command of Allah Swt.

**Keywords:** micro small and medium enterprises, islamic entrepreneurship, resource based view, strategic agility

### INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are the backbone that plays an important role in developing a country's economy<sup>1</sup> and encouraging equitable distribution of regional development.<sup>2</sup> MSMEs have proven to be a safety valve for the national economy and are able to survive and become

<sup>1</sup> Kristina Sedyastuti, "Analisis Pemberdayaan UMKM dan Peningkatan Daya Saing dalam Kancah Pasar Global," *INOBIS: Jurnal Inovasi Bisnis dan Manajemen Indonesia* 2, no. 1 (2018): 117-127.

<sup>2</sup> Sultan Singh Jaswal, "Problems and Prospects of Micro, Small, and Medium Enterprises (MSME's) in India," *International Journal of Innovatiive Research and Studies* 3, no. 5 (2014): 140-161.

economic drivers, especially during economic crises.<sup>3</sup> In addition, MSMEs also affect employment in Indonesia, distribution of results, income distribution, rural economic development, increase in non-oil and gas exports, increase in GDP.<sup>4</sup>

MSMEs have a huge influence on poverty alleviation, especially for a densely populated country where MSMEs provide great job opportunities with much lower investment. This will certainly create jobs, reduce poverty, and encourage a resilient national economy.<sup>5</sup> So that MSMEs must make a full contribution to the economic development of a nation.<sup>6</sup>

Therefore, MSMEs must have agility in order to survive and continue to develop in these environmental conditions.<sup>7</sup> MSMEs need continuous improvement initiatives to gain competitive advantage while eliminating waste and increasing profits.<sup>8</sup> In long numbers, of course, there will be challenges and opportunities but it depends on the type of MSMEs owned.<sup>9</sup>

Large and multinational companies seem better at adjusting and adopting change faster than smaller companies. Infact, MSMEs contribute to the Gross Domestic Product (GDP) in many countries.<sup>10</sup> In fact at the contribution of MSME GDP to the Indonesian economy for the 2009-2013 period is quite large reaching 57.6% with an average growth of 6.7%.<sup>11</sup>

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<sup>3</sup> A. Putra, "Peran UMKM dalam Pembangunan dan Kesejahteraan Masyarakat Kabupaten Blora," *Jurnal Analisa Sosiologi* 5, no. 2 (2016): 227635; Sedyastuti, "Analisis Pemberdayaan UMKM dan Peningkatan Daya Saing dalam Kancah Pasar Global."

<sup>4</sup> Alifah Fidela, Aprinaldi Pratama, dan Tita Nursyamsiah, "Pengembangan Usaha Mikro Kecil dan Menengah (UMKM) dengan Program Pemasaran Desa Jambu Raya di Desa Jambu, Kabupaten Sumedang," *Jurnal Pusat Inovasi Masyarakat* 2, no. 3 (2020): 493–498.

<sup>5</sup> Md. D Alauddin dan Mustafa Manir Chowdhury, "Small and Medium Enterprise in Bangladesh-Prospects and Challenges," *Global Journal of Management and Business Research* 15, no. 7 (2015): 11.

<sup>6</sup> Ayansola Olatunji Ayandibu dan Jennifer Houghton, "The role of Small and Medium Scale Enterprise in local economic development (LED)," *Banach Journal of Mathematical Analysis* 11, no. 2 (2017): 133–139; Vladimer Glonti, Rezo Manvelidze, dan Iamze Surmanidze, "The contribution of sme to regional economic development: On example of adjara autonomous republic," *European Journal of Sustainable Development* 10, no. 1 (2021): 513–526; Veysel Kula dan Ekrem Tatoglu, "An exploratory study of Internet adoption by SMEs in an emerging market economy," *European Business Review* 15, no. 5 (2003): 324–333.

<sup>7</sup> Widjajani dan Riris Nurjaman, "The Framework of Strategic Agility in Small and Medium Enterprise," *Journal of Physics: Conference Series* 1477, no. 5 (2020): 1–7.

<sup>8</sup> H. A.D. Perera, "Productivity improvement through lean tools in a Sri Lankan small and medium enterprise: A case study," *2016 Manufacturing and Industrial Engineering Symposium: Innovative Applications for Industry, MIES 2016* 22, no. 10 (2016): 1.

<sup>9</sup> Jill Juergensen, José Guimón, dan Rajneesh Narula, "European SMEs amidst the COVID-19 crisis: assessing impact and policy responses," *Journal of Industrial and Business Economics* 47, no. 3 (2020): 499–510, <https://doi.org/10.1007/s40812-020-00169-4>.

<sup>10</sup> Emejulu Gerald, Agbasi Obianuju, dan Nosike Chukwunonso, "Strategic agility and performance of small and medium enterprises in the phase of Covid-19 pandemic," *International Journal of Financial, Accounting, and Management* 2, no. 1 (2020): 41–50.

<sup>11</sup> Setyani Dwi Lestari dkk., "Antecedents and consequences of innovation and business strategy on performance and competitive advantage of SMEs," *Journal of Asian Finance, Economics and Business* 7, no. 6 (2020): 365–378.

The problem is that the contribution that has been given by MSMEs has not reached the maximum number. It is noted that more than 40% of MSMEs in Indonesia still experience basic problems from financing to marketing which consequently hinder them from being able to accelerate MSME business growth significantly.<sup>12</sup>

When Covid-19 occurred, the impact of the pandemic almost occurred in all countries in the world<sup>13</sup> which caused anxiety for MSMEs to survive.<sup>14</sup> Based on data from the Economic Research Center of the Indonesian Institute of Sciences (P2E LIPI), the impact of Covid-19 on the decline in tourism for MSMEs engaged in micro food and beverage businesses reached 27%. While the impact for small food and beverage businesses was 1.77%, and medium enterprises at 0.07%.<sup>15</sup>

In mid-April 2020, around 37,000 MSMEs reported that they were severely affected by the pandemic.<sup>16</sup> Small businesses are vulnerable to crises, but little is known how they deal with prolonged crises like the one caused by Covid-19.<sup>17</sup> However, the occurrence of economic crises is sometimes unpredictable, so to survive, a business strategy is needed for MSMEs to maintain their business. Resilient MSMEs can be affected by strong entrepreneurial and organizational resilience in facing the challenges of business competency dynamics.<sup>18</sup>

Globally, MSMEs account for more than half of all formal employment.<sup>19</sup> In Europe, MSMEs represent 99.8% of all companies, employment in this sector

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<sup>12</sup> Belinda Azzahra dan I Gede Angga Raditya Prasadha Wibawa, "Strategi Optimalisasi Standar Kinerja UMKM sebagai Katalis Perekonomian Indonesia dalam Menghadapi Middle Income Trap 2045," *Economics and Development Analysis* 1, no. 1 (2021): 75–86, file:///C:/Users/User/Downloads/4856-Article Text-20462-1-10-20210509.pdf.

<sup>13</sup> Fabian Eggers, "Masters of disasters? Challenges and opportunities for SMEs in times of crisis," *Journal of Business Research* 116, no. May (2020): 199, <https://doi.org/10.1016/j.jbusres.2020.05.025>.

<sup>14</sup> Muhtar Lutfi dkk., "The impact of social distancing policy on small and medium-sized enterprises (SMEs) in Indonesia," *Problems and Perspectives in Management* 18, no. 3 (2020): 492–503.

<sup>15</sup> Abdurrahman Firdaus Thaha, "Dampak Covid-19 Terhadap UMKM Di Indonesia," *JURNAL BRAND* 2, no. 1 (2020): 1.

<sup>16</sup> V. Pratama, I. Santoso, dan S. A. Mustaniroh, "Development strategy of SMEs in the new normal era of coronavirus disease 2019 (COVID-19): A literature review," *IOP Conference Series: Earth and Environmental Science* 733, no. 1 (2021).

<sup>17</sup> Jose Alves dkk., "Crisis Management for Small Business during the COVID-19 Outbreak: Survival, Resilience and Renewal Strategies of Firms in Macau," *Research Square* (2020): 1–29.

<sup>18</sup> Roymon Panjaitan dan Nada Trasthya Ibaneza, "Menelisik Ketahanan Kewirausahaan dan Ketahanan Organisasi Menuju UMKM Tangguh Di Kabupaten Semarang," *Media Informasi Penelitian Kabupaten Semarang (SINOV)* 2 (2019): 59.

<sup>19</sup> Narges Kasiri, Hormoz Movassaghi, and Sarah Lamoureux, "Sustainability engagement or not? U.S. SMEs approach," *Journal of Small Business Strategy* 30, no. 3 (2020): 16–32; Herb De Vries and Michelle Shields, "Towards a Theory of Entrepreneurial Resilience: A Case Study Analysis of New Zealand SME Owner Operators Corresponding," *New Zealand Journal of Applied Business Research* 5, no. 1 (2006): 33–43.

constitutes 66.7% of total employment in Europe.<sup>20</sup> The sector's share in value creation in Europe remained at the level of 58.6%. The presence of MSMEs in the community economy and economic development has an important role, so efforts need to be made so that this sector can survive for the long term.<sup>21</sup>

In Sri Lanka, MSMEs play an important role in creating better economic value. MSMEs need continuous improvement initiatives to gain competitive advantage while eliminating waste and increasing profits.<sup>22</sup>

There is still a small number of studies related to resilience in the context of entrepreneurship and crisis, mainly focusing on the post-crisis period and the skills or resources built by companies and organizations to resist or adapt to such events.<sup>23</sup> The pandemic has brought uncertainty about how to maintain MSME business continuity.<sup>24</sup> If MSMEs stop their operations, of course, this will harm the aggregate economy.<sup>25</sup>

Business strategies due to the economic crisis for MSME players can also provide better improvement and development of business sustainability by implementing management strengthening in the fields of marketing, human resources, finance and operations as a strategic step to create an effective and efficient business existence. So that MSME actors must have good knowledge management and absorptive capacity to improve their business performance.<sup>26</sup>

The Covid-19 pandemic has shown the rest of the world that working habits, freedom, and consumption can change very quickly and significantly in an indefinite period of time. Such a dynamic environment will encourage

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<sup>20</sup> Robert Bennett, "SME policy support in Britain since the 1990s: What have we learnt?," *Environment and Planning C: Government and Policy* 26, no. 2 (2008): 375–397; Joanna Ejdys, "Future Oriented Strategy for SMEs," *Procedia - Social and Behavioral Sciences* 156, no. April (2014): 8–12, <http://dx.doi.org/10.1016/j.sbspro.2014.11.110>.

<sup>21</sup> Madiha Shafique Dar, Shakoor Ahmed, and Abdul Raziq, "Small and Medium-Size Enterprises in Pakistan: Definition and Critical Issues," *Pakistan Business Review* 19, no. 1 (2017): 46–70, <https://journals.iobmresearch.com/index.php/PBR/article/view/1245>; Chandra Sekhar Mund, "Problems of MSME Finance in India and Role of Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)," *IOSR Journal of Economics and Finance* 11, no. 4 (2020): 1–6, [www.iosrjournals.org](http://www.iosrjournals.org); Nor Asmahani Ibrahim, Rosmimah Roslin, and Rozita Naina Mohamed, "The Role of Propinquity and Coordination in Influencing Competitive Advantage of Retail SMEs in Malaysia," *International Journal of Business and Management* 6, no. 1 (2022): 7–12.

<sup>22</sup>H. A.D. Perera, "Productivity improvement through lean tools in a Sri Lankan small and medium enterprise: A case study," *2016 Manufacturing and Industrial Engineering Symposium: Innovative Applications for Industry, MIES 2016*, 22, no. 10 (2016): 1.

<sup>23</sup> Amanda Bullough, Maija Renko, dan Tamara Myatt, "Danger Zone Entrepreneurs: The Importance of Resilience and Self-efficacy for Entrepreneurial Intentions," *Entrepreneurship: Theory and Practice* 38, no. 3 (2014): 473.

<sup>24</sup> Ambika Zutshi dkk., "From Challenges to Creativity: Enhancing SMEs' Resilience in The Context of Covid-19," *Sustainability (Switzerland)* 13, no. 12 (2021): 1–16.

<sup>25</sup> Pu Ganlin dkk., "Innovative Finance, Technological Adaptation and SMEs Sustainability: The Mediating Role of Government Support During Covid-19 Pandemic," *Sustainability (Switzerland)* 13, no. 16 (2021): 1–27.

<sup>26</sup> Ika Fitriyani, Nining Sudiyarti, dan M. Nur Fietroh, "Strategi Manajemen Bisnis Pasca Pandemi Covid-19," *Indonesian Journal of Social Sciences and Humanities* 1, no. 2 (2020): 87–95.

companies to move quickly to take advantage of changing circumstances as a source of opportunity rather than a threat that can be deadly.<sup>27</sup>

Being 'agile', responsive, and innovative seems to have become a key requisite for long-term growth and success for any organization operating in an increasingly uncertain, volatile, complex, and ambiguous world.<sup>28</sup> By looking at the problems that occur, problems in the future are sometimes unpredictable so a strategy is needed to survive. However, there are things that need to be considered, namely in the context of the resilience of each MSME, one measure of regulation or advice offered is not suitable for all, this is due to the size of the organization owned.<sup>29</sup>

The fundamental step towards Strategic Agility is through fast working. Important factors needed in Strategic Agility are agile management and learning culture.<sup>30</sup> Strategic Agility allows companies to quickly sense market changes, identify opportunities early, and unravel challenges that occur from changes in external markets.<sup>31</sup>

The ability of a manager of small and medium business owners in building competitive advantage is an individual resource that can be used in running a business, even the determining factors of success or failure of a business are determined from this, for this reason, the ability of individual owners/ managers is the main factor that determines business strategy and strategy implementation practices in running a business. Another factor is also the superiority of the product owned.<sup>32</sup> The company's ability to achieve strategic agility will affect the performance of MSMEs.<sup>33</sup> An Islamic approach is needed to find out how much Islamic Entrepreneurship has a positive impact on the development of MSMEs in order to be able to be resilient.

## METHODS

This type of research is included in the category of field studies. The research method used is qualitative which is descriptive, which is a technique

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<sup>27</sup> Konstantinos Tsilionis dan Yves Wautelet, "A model-driven framework to support strategic agility: Value-added perspective," *Information and Software Technology* 141, no. 1 (2022): 1-20, <https://doi.org/10.1016/j.infsof.2021.106734>.

<sup>28</sup> Yijun Xing dkk., "Entrepreneurial team and strategic agility: A conceptual framework and research agenda," *Human Resource Management Review* 30, no. 1 (2020): 1-10, <https://doi.org/10.1016/j.hrmr.2019.100696>.

<sup>29</sup> Bridgette Sullivan-Taylor dan Layla Branicki, "Creating Resilient SMEs: Why One Size Might Not Fit All," *International Journal of Production Research* 49, no. 18 (2011): 5565.

<sup>30</sup> Dzudera Glesne dan Madelen Pedersen, "Strategic Agility : Adapting and Renewing Strategic Direction," *Norwegian School of Economics* (2020): 1.

<sup>31</sup> Michael J. Braunscheidel dan Nallan C. Suresh, "The organizational antecedents of a firm's supply chain agility for risk mitigation and response," *Journal of Operations Management* 27, no. 2 (2009): 119.

<sup>32</sup> Widjajani dan Nurjaman, "The Framework of Strategic Agility in Small and Medium Enterprise"; Dewi Faeni, "Karakteristik Manajer, Pembaruan SDM, Strategi Pemasaran, Motivasi Bermitra, Orientasi Kerja, Standarisasi Kerja, Terhadap Ketahanan Bisnis UKM dalam Persaingan Usaha: Study UKM di Jakarta Indonesia," *Jurnal Ekonomika dan Manajemen* 4, no. 1 (2015): 1-22.

<sup>33</sup> Samuel Adomako dkk., "Strategic agility of SMEs in Emerging Economies: Antecedents, Consequences and Boundary Conditions," *International Business Review* (2022): 1.

used to describe and interpret the meaning of the data that has been collected by paying attention and recording as many aspects of the situation as possible, so that it will obtain a general and comprehensive picture of the actual situation.

This research is qualitative research using a phenomenological approach. Phenomenological research is a type of qualitative research that looks and hears more closely and in detail an individual's explanation and understanding of his or her experiences. The Phenomenological approach is a way to dissect a phenomenon that occurs with theory in elaborating the findings.

The data sources used in this study consist of two, namely primary data and secondary data. The primary data consists of MSME actors in Indonesia, while the secondary data referred to in this study is a data source that supports the primary data source. For example, through documentation and internet searching.

In obtaining relevant information and data, there are three kinds of methods used in research, namely: observation, interviews, and documentation. The main instrument in this study is the researcher himself (human instrument). Where the researcher is a key instrument that must analyze the data that has been collected. Data analysis conducted in this study using the phenomenological method of data analysis or known as FDA.

Data analysis is used for the purpose of minimizing and limiting findings so that they become organized, structured, more organized and more meaningful data. Data validity can be obtained by carrying out a proper data collection process, the way most often used in data validity with a triangulation process.<sup>34</sup>

## RESULT AND DISCUSSION

### Resilience of Micro, Small, and Medium Enterprises

Resilience as the ability of the system to respond in various ways to disruption to adapt to challenges posed by the environment.<sup>35</sup> Resilience as the ability of a company or organization to recover from difficulties and be able to adapt to change.<sup>36</sup> System resilience is how a company or stakeholder group adopts new practices to avoid external shocks.<sup>37</sup> Two concepts that are at the core of crisis-related understanding, as well as the relationship between

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<sup>34</sup> Husain Usman dan Purnomo Setiady Akbar, *Metodologi Penelitian Sosial* (Jakarta: PT. Bumi Aksara, 2000).

<sup>35</sup> Murad A. Mithani, "Adaptation in the Face of the New Normal," *Academy of Management Perspectives* 34, no. 4 (2020): 508; van der Vegt dkk., "From the Editors: Managing Risk and Resilience," *Academy of Management Journal* 58, no. 4 (2015): 971.

<sup>36</sup> Mithani, "Adaptation in the Face of the New Normal"; Vegt dkk., "From the Editors: Managing Risk and Resilience."

<sup>37</sup> Mark DesJardine, Pratima Bansal, dan Yang Yang, "Bouncing Back: Building Resilience Through Social and Environmental Practices in The Context of The 2008 Global Financial Crisis," *Journal of Management* 45, no. 4 (2019): 1-27.

entrepreneurship and crisis in particular, are 'crisis management' and 'resilience'.<sup>38</sup>

The Resource Based View (RBV) theory initiated by Penrose was further popularized by Barney in 1991. There are two important points an organization can be said to have their competitive position. First, resources are supposed to provide economic value and should always be scarce, difficult to replicate or copy, irreplaceable, and not easily accessible. Secondly, resources determine the performance of the company. However, what happens to Micro, Small, and Medium Enterprises (MSMEs) is that the competitive advantages possessed by MSME actors are easy to imitate and can be replaced at any time, depending on their ability to manage and run their businesses. In fact, resources can be said to be strategic if they have competitive characteristics.<sup>39</sup> This condition is almost evenly distributed, especially for micro actors, where the competitiveness possessed is very small.

The use of RBV has the objective of understanding the relationships of different resources and how those resources can be used to maintain competitive advantage. So that Estensoro think the use of RBV as a theoretical perspective is suitable for investigating the competitive level of MSMEs in the current industrial era 4.0. The combination of resources in achieving sustainable competitive advantage must be accompanied by the managerial concept of each MSME. MSME.<sup>40</sup>

Every company's resilience enhancement resources and capabilities are different. So this gap needs to be overcome because MSMEs are vulnerable to disruption. Moreover, issues related to liquidity, access to financial capital, and a challenging policy environment. Business owners also admit that during running their business, no one from the government provides financial assistance to develop the business. If they want to get assistance in the form of additional capital, then it can be done independently by applying for a loan to the bank or through other families.<sup>41</sup>

The same thing was also conveyed by Tiara as the owner of Es Tia Jie, who stated that she had never received help while running her business. Government assistance is only during the pandemic in the form of basic necessities from the RT which are delivered directly to homes.

MSME actors who do not get government assistance in times of crisis, it is because business owners do not report their conditions to the government. In

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<sup>38</sup> Rachel Doern, Nick Williams, dan Tim Vorley, "Special issue on entrepreneurship and crises: business as usual? An introduction and review of the literature," *Entrepreneurship and Regional Development* 31, no. 5–6 (2019): 1–13, <https://doi.org/10.1080/08985626.2018.1541590>.

<sup>39</sup> Temi Abimbola, "Branding as a Competitive Strategy for Demand Management in SMEs," *Journal of Research in Marketing and Entrepreneurship* 3, no. 2 (2001): 97–106.

<sup>40</sup> Miren Estensoro dkk., "A resource-based view on SMEs regarding the transition to more sophisticated stages of industry 4.0," *European Management Journal*, 1.1 (2021), 1–15 (hal. 1) <<https://doi.org/10.1016/j.emj.2021.10.001>>.

<sup>41</sup> Mikaela Polyviou, Keely L. Croxton, dan A. Michael Knemeyer, "Resilience of Medium-sized Firms to Supply Chain Disruptions: The Role of Internal Social Capital," *International Journal of Operations and Production Management* 40, no. 1 (2020): 68–91.

fact, Bank Indonesia data shows that as many as 87.5% of Indonesian MSMEs are affected due to the Covid-19 pandemic.<sup>42</sup>

MSMEs affected by the crisis, the government through the Cooperative and MSME Office provides recommendations in the form of training and coaching, as well as Assistance for Micro Enterprises/ *Bantuan bagi Pelaku Usaha Mikro* (BPUM) to maintain and assist business continuity in facing the pressure of the impact of Covid-19. BPUM is government assistance in the form of money given to micro businesses sourced from the State Budget of Rp.1,200,000 given at once according to criteria. In addition, the government through Local cooperatives and SMEs office seeks to build motivation and provide services in the form of coaching through digital-based training. The government provides socialization to actors related to easy access to obtain capital.

Currently, the government is trying to collect data for business actors in Indonesia. In 2022 as the beginning of data collection, there are 14.5 million businesses incorporated by Cooperatives and Micro, Small, and Medium Enterprises/ *Koperasi dan Usaha Mikro, Kecil dan Menengah* (KUMKM), mainly with the criteria of settling down, namely having business and mixed buildings. Setianto as Deputy for Distribution and Services Statistics of BPS stated that currently, KUMKM data is still spread throughout the agency. To realize a single valid and reliable KUMKM database, collaboration between government agencies is needed. In the future, this database can be the foundation of the government in designing comprehensive programs and interventions, as well as being the government's main reference in creating better market opportunities and ecosystems (Central Statistics Agency, 2023).

Increasing competitive advantage so that MSMEs can survive in fierce competition, MSME players make several efforts, including maintaining taste and composition, and improving service to customers. The ability of MSMEs to increase profitability or sales profit can be said to be quite good, this is evident from their efforts to open new branches or add points of sale. Although sometimes there are obstacles faced, for example in terms of, the best way to maximize revenue.

This is because there is still a lack of knowledge related to the management of financial statements, where recording is still done through books manually. Efforts to increase profits are also carried out by utilizing service provider applications that can help increase revenue, namely in the form of Shopee Partner and Gofood. However, the use of this application did not run smoothly as experienced by Kasriani due to obstacles from the Shoppe in collaboration with Sate Presiden.

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<sup>42</sup> Pierre Mauritz Sundah, Clarissa Adeline, dan Herman Purba, "Digitalisasi UMKM sebagai Langkah Mewujudkan Pemulihan dan Resiliensi Pelaku Usaha di Masa Pandemi," *Prosiding Konferensi Nasional Pengabdian Kepada Masyarakat dan Corporate Social Responsibility (PKM-CSR) 4* (2021): 1202-1206.

The business resilience carried out by MSMEs is influenced by three main factors consisting of:<sup>43</sup>

### 1. Availability of Capital

The availability of capital has a positive effect on the income to be generated. This is needed by MSMEs to be able to improve and advance their business. The availability of capital is not only sought by business actors by utilizing private capital, but the government and private parties who have more funds<sup>44</sup> should be involved in helping. The role of Islamic Financial Institutions in this regard is also needed in providing access to capital for MSMEs in order to expand markets and develop businesses. This will make a great contribution to the economy of a country.<sup>45</sup>

This problem has always been an obstacle to the development of micro and small businesses so it must be equally considered. The development of the creative industry must be the main focus that must continue to be intertwined by MSMEs with the local government. This collaboration can be a solutive step to help with these problems. So that it not only helps MSMEs but can advance the country's economy, this can certainly be an alternative in developing the tourism sector through halal food.<sup>46</sup>

### 2. Learning Culture

Learning Culture has a major influence on MSME Resilience. Where the learning culture in a company or society will affect the level of individual ability. This will certainly increase performance and income due to the creation of innovation and better ways of working. The learning culture in the company will help its owners compete with business competitors and face crisis conditions that can come unnoticed. This is what most affects the success rate of micro and small businesses to develop. Learning can be done anywhere and anytime, for example attending entrepreneurship training held by the government or institutions and communities that provide these services. Information related to how to grow in business has also been widely available on social media and articles on the website.

### 3. Dynamic competitiveness

Competitiveness is determined by the competitive advantages that the company has, in this case if it is associated with MSMEs, it is closely related to resources or in other words the competitive advantage it has. Competitiveness

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<sup>43</sup> Nopriadi Saputra, Evi Satispi, dan Danang Prihandoko, "Strategi UMKM bertahan melewati Covid-19: menjadi fleksibel dan kolaboratif," *Indonesian Treasury Review Jurnal Perbendaharaan Keuangan Negara dan Kebijakan Publik* 7, no. 1 (2022): 33–47.

<sup>44</sup>Ni Made Dwi Maharani Putri dan I Made Jember, "Pengaruh Modal Sendiri dan Lokasi Usaha Terhadap UMKM di Kabupaten Tabanan (Modal Pinjaman sebagai Intervening)," *Jurnal Ekonomi Kuantitatif Terapan* 9, no. 2 (2016): 142.

<sup>45</sup>Jamaluddin dan M. Wahyuddin Abdullah, "The Role of Sharia Financial Institution To Empowering SMEs," *Jurnal Iqtisaduna* (2019): 166.

<sup>46</sup>Sinta Kasim dan Munawwarah Sahib, "Konsep Maqashid Al-Syatibi Tentang Kebutuhan dan Relevansinya Terhadap Pemberdayaan Usaha Mikro Kecil Menengah," *El Fata: Journal of Shariah Economics and Islamic Education* 01, no. 02 (2022): 140.

will encourage the productivity and creativity of business actors in creating new opportunities to increase income.

If MSMEs only rely on the thought of just surviving to meet needs without trying to improve business, then gradually there will be a decrease in the quality and quantity carried out. As an example in Kartowiyono's business which has been selling meatballs for 36 years but has not experienced visible progress. Nothing wrong with what Kartowiyono did, but the learning culture and lack of Competitive Advantage resulted in the business not developing.

It can also be said that the capacity of MSMEs in capturing new opportunities or creating new ideas is still lacking. They choose to survive by maximizing the effort that has been undertaken while looking for other ways to survive and still maintain the business.

The efforts made are to sell other appropriate products, as done by Mrs. Veranita who sells meatballs *online* through Facebook and food in Ramadan because the main business in the form of Es Cappuccino Cincau had to close temporarily during the Implementation of Community Activity Restrictions/*Pemberlakuan Pembatasan Kegiatan Masyarakat* (PPKM) and the implementation of Large-Scale Social Restrictions/ *Pembatasan Sosial Berskala Besar* (PSBB) due to the pandemic.

That's because many people are afraid to consume cold miniman so as not to get sick. Other efforts are also carried out by relying on the husband's income as a welder and additional from children who have worked.

Meanwhile, Tiara as the owner of Es Tia Jie during the Covid-19 outbreak, sells *online* by delivering orders directly to customers through hired couriers. In addition, Tiara also sells fried foods to increase income. As for Kartowijoyo, the owner of Bakso Solo and Kasriani the owner of Sate Presiden, they prefer to sell according to the operating hours set by the government, although it results in a decrease in turnover, sales continue to run stable.

**Table 1. Quantity Income Before and During the Pandemic from MSMEs**

No	Business Name	Owner Name	Length of Sale (Years)	Turnover (Per Month)	
				Before/ After the Pandemic	During a Pandemic
1	Sate Presiden	Kasriani	4	Rp.40.000.000	Rp. 30.000.000
2	Es Tia Jie	Tiara	9	Rp. 90.000.000	Rp. 15.000.000
3	Bakso Solo	Kartowiyono	36	Rp. 9.000.000	Rp. 3.000.000
4	Es Cappuccino Cincau	Veranita	8	Rp. 15.000.000	Rp. 9.000.000

Source: Primary Data, 2023

In table 1, it can be seen that the amount of income of MSME actors has decreased during the pandemic. Even the turnover of Es Tia Jie felt the most significant changes, from the beginning of Rp. 3,000,000/day, but when Covid-19 occurred, it only got Rp. 500,000/day. This condition also forces some MSME players to be forced not to sell and only rely on savings to survive during PPKM.

Those who do not have ideas and abilities in dealing with the pandemic will certainly choose not to sell. As did Kartowiyono, the owner of Bakso Solo.

The development of MSMEs, especially micro business actors, runs according to the needs of the community in surviving by doing business or selling. So that the abilities possessed are obtained through autodidact. As done by Kartowiyono and Kasriani they started their business by migrating to survive. But the difference is, Kasriani is trying to open new jobs by adding sales carts. Tiara stated that Es Tia Jie was a business to help pay her father's debt at the bank.

**Table 2. Quantity of Micro, Small and Medium Enterprises by Indonesia in 2022**

No	Province Name	Value / Unit
1	Jawa Barat	1.494.723
2	Jawa Tengah	1.457.126
3	Jawa Timur	1.153.576
4	DKI Jakarta	658.365
5	Sumatera Utara	595.779
6	Banten	339.001
7	Sumatera Selatan	330.693
8	Sumatera Barat	296.052
9	Nusa Tenggara Barat	287.882
10	Lampung	285.909
11	Sulawesi Selatan	268.299
12	Riau	252.574
13	DI Yogyakarta	235.899
14	Aceh	229.101
15	Sulawesi Utara	116.666
16	Gorontalo	85.583
17	Bengkulu	83.523
18	Nusa Tenggara Timur	81.742
19	Kep. Riau	76.217
20	Kalimantan Selatan	72.113
21	Jambi	57.597
22	Kalimantan Timur	46.824
23	Bali	40.764
24	Kep. Bangka Belitung	30.770
25	Kalimantan Barat	29.813
26	Sulawesi Tengah	29.706
27	Sulawesi Barat	20.111
28	Maluku	18.789
29	Sulawesi Tenggara	8.978
30	Kalimantan Utara	7.588
31	Kalimantan Tengah	6.606
32	Papua Barat	4.604
33	Maluku Utara	4.141
34	Papua	3.932
<b>Quantity</b>		<b>4.601.689</b>

Source: Ministry of Cooperatives and SMEs, 2023

Table 2 shows the number of MSMEs in Indonesia which has reached 4,601,689. This figure is still relatively small seeing the total population of Indonesia which reached 275,361,267 people based on data from the Central Statistics Agency, 2023. So that the factors needed to encourage the increase of

MSMEs are in the form of adequate infrastructure, innovation, technology, regulation, taxes, trade, and labor.<sup>47</sup>

Resilience is influenced by two factors, namely internal and external. Internal factors are influenced by spirituality, self-efficacy, optimism, self-esteem. Meanwhile, externally, resilience is influenced by social support.<sup>48</sup>

This internal factor cannot be eliminated by a human being in running life, because syariah refers to the command of Allah Almighty for Muslims whose application is a system of duties that are mandatory for all Muslims based on their religious beliefs.

So that several factors in Islamic entrepreneurship that can help MSME actors to survive and face business competition, including: piety to Allah swt., having good and broad knowledge, wisdom in decision making, identification/creating opportunities, innovation and risk taking, the use of resources has capital and financing, and has ethics and social responsibility.

The focus on resilience refers to the ability of MSME individuals to recover from stressful circumstances and be able to adapt and survive uncertain conditions. For the resilience of MSMEs, it can be done in various ways and strategies used starting from Agile Management, where the entire team is required to work agilely and dynamically.

Learning culture is the perception of what can be given is closely related to organizational culture and the ability to think in action.<sup>49</sup> Furthermore, Performance Improvement, with which it can increase the results and value of an organization.

So that researchers describe the stages of resilience that can be done by MSME actors in steps or ways in table 3.

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<sup>47</sup> Ndeye Ndiaye dkk., "Demystifying small and medium enterprises' (SMEs) performance in emerging and developing economies," *Borsa Istanbul Review* 18, no. 4 (2018): 269–281, <https://doi.org/10.1016/j.bir.2018.04.003>.

<sup>48</sup> Vallahatullah Missasi dan Indah Dwi Cahya Izzati, "Faktor-Faktor yang Mempengaruhi Resiliensi," *Prosiding Seminar Nasional Magister Psikologi Universitas Ahmad Dahlan*, no. 2009 (2019): 433–441.

<sup>49</sup> Alberto Ferraris dkk., "Microfoundations of Strategic Agility in Emerging Markets: Empirical Evidence of Italian MNEs in India," *Journal of World Business* 57, no. 2 (2022): 1–17, <https://doi.org/10.1016/j.jwb.2021.101272>.

**Table 3. Resilience Stages**

No	Resilience Stages	Description
1.	Agile Management	<ol style="list-style-type: none"> <li>1. The entire team is required to work agilely and dynamically in responding to all challenges and unpredictable changes.</li> <li>2. Leverage team-level talent, behavior, and entrepreneurial activities as drivers of agility and sustainable innovation strategies through effectively managed Human Resources Management processes.</li> </ol>
2.	Learning Culture	<ol style="list-style-type: none"> <li>1. Learning culture with a strong learning culture will see if mistakes and problems that occur are learning opportunities. Improve and update better ways of working.</li> <li>2. Perceptions of what can be given are closely related to organizational culture and the ability to think in action.</li> <li>3. Learning Culture can create strong and smart employees. Make employees more loyal and can motivate other employees. Increase innovation and creativity, this is because employees will be accustomed to facing new challenges.</li> <li>4. Changing the company's business pattern so that it can be more advanced. Because with Learning Culture, a company will continue to try new things.</li> </ol>
3.	Performance Improvements	<ol style="list-style-type: none"> <li>1. Increase the results and value of an organization / company.</li> <li>2. Performance improvement will affect the company's results</li> </ol>

Source: Developed by Researchers

The fundamental step towards Strategic Agility is through fast working. Agile management can be done by paying attention to agile and dynamic ways of working to respond to all challenges and uncertain changes due to crises and unpredictable things. A manager or entrepreneurship must utilize the talents possessed and explore one's potential to encourage agility with effectively managed Human Resources Management.

#### A. Application of MSME Business Based on Islamic Entrepreneurship

Business competition is currently getting tighter, not only racing and competing in the global economy, but in the local sector there are still many business actors who have not been able to compete. As an entrepreneur, someone must try to change their situation for the better, even if they have to face risks.<sup>50</sup>

Muslimpreneur must show his identity with a distinctive character as a Muslim, namely being able to carry out Islamic values as a basic model of Islamic entrepreneurship to run his business.<sup>51</sup> The implementation of Islamic entrepreneurship-based business in Indonesia can be said to have not been carried out completely, this is due to the existence of MSME actors who still use conventional banks as a place to borrow business capital and do not understand them regarding the principles of sharia that must be fulfilled in doing business.

But each of them has tried to carry out Islamic principles in trading, as explained by Mosbah and Mebroui by describing the concept of Islamic entrepreneurship, namely between Entrepreneur behavior (business actors) and

<sup>50</sup> S Kasim dan S Sirajuddin, "Dana Usaha Kecil dalam Meningkatkan Pendapatan Pedagang Kaki Lima," *LAA MAISYIR: Jurnal Ekonomi* 5, no. 2 (2018): 25–47, <https://journal3.uin-alauddin.ac.id/index.php/lamaisyir/article/view/6886>.

<sup>51</sup>Veni Reza, "Islamic Entrepreneurship: Membangun Karakter Wirausahawan Muslim dengan Pengetahuan berbasis Ekonomi," *Jurnal An-Nahl* 9, no. 1 (2022): 1.

enterprise action and strategies (company actions), then MSME actors must apply sharia guidelines in running its business as a frame in doing business.<sup>52</sup>

The characteristics of Islamic entrepreneurship of MSME actors should be in accordance with what Hassan and Hippler conveyed, including:<sup>53</sup>

1. Muslim entrepreneurs should please Allah and their business is carried out in accordance with the principles of Sharia contained in the Qur'an and Sunnah. Muslims are not allowed to engage in activities that harm members of society or the social moral system such as alcohol production and trade, brothel activities, etc. This has been pursued by MSME actors who understand the importance of selling in the right and good way according to the commands of Allah swt.
2. The aim of Islamic business is not merely to achieve financial gain, but to contribute to society through the means of Zakat and charity, and to seek to please Allah Almighty. When business actors understand the importance of worship, then the understanding related to work is not to seek finance but to seek the pleasure of Allah swt.
3. Money is considered a legitimate medium of economic transaction but cannot be traded, because it is related to usury, so interest is prohibited.
4. The distribution of business-related inheritance is determined in Islam and is not left to the whims of the entrepreneur.

Islam encourages prosperity through the use of god-given resources in the right way. Islamic entrepreneurship and business is based on:

1. Based on Islamic principles and not contrary to religious teachings

Based on Islamic principles, it means that a person who does business must always pay attention to things in the religion. For example, not doing *Riba*, *Maysir*, *Gharar*, and other prohibitions. The Prophet Muhammad saw. said: "Indeed, the merchant will be resurrected on the Day of Judgment as criminals except merchants who fear Allah, do good and are honest," (HR. Tirmidzi). Islam regulates everything in human activities including doing *muamalah* by providing limits on what can be done and not allowed, all of these things are in accordance with the principles that have been regulated in religion.

2. Entrepreneurship and business are an integral part of this religion

Islam regulates everything in human life, including in the economic aspect. So that entrepreneurship and business are part of this religion. The point is that everything that is done must be in accordance with religious corridors, so that the main focus in selling is not solely getting financial benefits, but getting rewards from Allah swt. One example, for example, a trader can distribute the remaining unsold sales to street children. Compared discarded or stored so stale.

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<sup>52</sup> Aissa Mosbah dan Tayeb Mebroui, "Islamic Entrepreneurship: Issues and Debates," *International Journal of Management and Commerce Innovations* 7, no. October (2019): 461-468, <https://www.researchgate.net/publication/337947028>.

<sup>53</sup> M. Kabir Hassan dan William J. Hippler, "Entrepreneurship and Islam: An overview," *Econ Journal Watch* 11, no. 2 (2014): 170-178.

This will certainly get the reward and pleasure of Allah swt. As in Al-Qur'an Surah An-Nisa' verses 36.

The verse reminds every human being to do good to others, be it to parents, relatives, to orphans and the poor. The good done must be intended only to get rewards and rewards from Allah swt. So that one no longer hopes in humans. Alms is not only with humans, this can also be done to animals.

### 3. Success is not always measured by the end result but by how to achieve it

Entering the 4.0 era, humans are required to race to follow the speed of the increasingly fast times. This will certainly make most people do various ways to develop. Not a few of them compete to be rich and successful, but the most important of all achievements is how to achieve them. Not a few people do many ways to get big final results, until there is fraud and harms many parties. Of course, this does not describe the characteristics of Islamic entrepreneurs, where they always try to get something in accordance with what Allah has swt. order.

Achieving success in the world and in the hereafter is not easy, but it is also not difficult to achieve if humans try. Everything that is done must be pursued by always praying to Allah swt. for obtain His *rida*. Even Allah reminds people that if they achieve success, there must be tests in them, as in Surah Al-Baqarah verses 214.

The verse gives advice to man that everyone will definitely be tested when he wants to strive for success. Both in the form of heaven and achievements in the world. The measure of success is not by what is achieved although this is important, but the process carried out as a determinant of the success or failure of a person. Even the determinant of the success of the Hereafter, lies in the reward and pleasure of Allah swt.

### 4. Islam encourages doing business or going into business

Allah Almighty. not only asking His servants to perform *Mahdhah* worship, namely vertical relationships between humans and His Rabb such as Prayer, Fasting, Zakat, and Hajj. However, *Ghairu Mahdhah*'s worship, one of which is trading. Islam encourages doing business or going into business, this can be seen from the profession carried out by the Holy Prophet and his companions. The Holy Prophet was a true trader, he gave the best example of how to trade in a good and professional manner. The Prophet in his youth was nicknamed *al-Amin* which became a description of his nature.<sup>54</sup>

Not only had good trading skills, Muhammad saw. also had the skills to build relationships or networks with the chiefs of the Arabic Kabilah tribes as friends of his grandfather. He made various offers to wealthy merchants in Makkah (*Shirkah* and *Mudharabah*).<sup>55</sup> As in popular history, if before marriage, Muhammad saw. (peace be upon him) became the trading manager of Khadijah

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<sup>54</sup>Novi Indriyani Sitepu, "Perilaku Bisnis Muhammad SAW Sebagai Entrepreneur dalam Filsafat Ekonomi Islam," *Human Falah* 3, no. 1 (2016): 23.

<sup>55</sup>Yusuf Mansur, *Business Wisdom of Muhammad Saw: 40 Kedahsyatan Bisnis Ala Nabi saw* (Bandung: PT. Karya Kita, 2008), 24.

(ra). to the Habasyah trading center in Yemen.<sup>56</sup> The verse that explains the command to do business, can be seen in surah Al-Baqarah verse 198.

##### 5. Business activities are part of worship and good deeds

Doing trading work can become a place of worship if everything that is done is only intended to Allah Almighty. Carrying out work sincerely and honestly is the key to happiness for Muslim entrepreneurs. The dimensions of social and human devotion are much broader than other compulsory worship. That is, a person can do many ways to always do righteous deeds with the work he does.

In addition to the value of worship, trading is also something that is encouraged. From Rifa'ah ibn Raafi'ra. The Prophet (peace be upon him) was asked about halal livelihoods? The Prophet replied, "One works with one's own hands and every trade is clean" (HR. Al-Bazzar and authenticated by Al-Hakim). (Hadith 782 from Bulughul Maram Kitab Al-Buyu').

##### 6. The principles of entrepreneurship and business coaching are strictly based on the Qur'an and hadith as guidelines or teachings and ethics and social responsibility based on the exemplary behavior of Muhammad saw.

Islam as a religion encourages humans to become entrepreneurs, where the Qur'an and the hadith of the Prophet Muhammad (peace be upon him) are the main sources of the principles and rules of entrepreneurship and business<sup>57</sup>.

Work is not only an obligation in an effort to meet the needs of life, but includes the worship of *ghairu mahdhah* which is a practice allowed by Allah swt. in its implementation is based on the intention of seeking pleasure and reward. Doing business or being an entrepreneurship is a job that is attached to the daily life of the Holy Prophet.

Where the concept of work is to carry out the commands of Allah swt. to get halal and *tayyib* sustenance and avoid actions that are hated in Islam. Allah Almighty said in Al-Qur'an. "When the (Friday) prayers have been performed, scatter you on the earth, seek the grace of Allah, and remember Allah as much as possible so that you may be lucky." (QS. Al-Jumu'ah verse 10). The business in the Qur'an has three meanings including *Tijarah*, *Al-Baiy'*, and *Istara*. All of them have the same meaning, namely business or buying and selling.<sup>58</sup>

The meaning of scattering you on earth, seek the grace of Allah swt. The verse explains the command of entrepreneurship so that people do not be idle, seeking God's grace by working lawfully by multiplying the remembrance of the Creator. This is the principle of entrepreneurship.

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<sup>56</sup>Sitepu, "Perilaku Bisnis Muhammad SAW Sebagai Entrepreneur dalam Filsafat Ekonomi Islam," 25.

<sup>57</sup>P. R. M. Faizal, A. A. M. Ridhwan, dan A. W. Kalsom, "The Entrepreneurs Characteristic from al-Quran and al-Hadis," *International Journal of Trade, Economics and Finance* 4, no. 4 (2013): 191.

<sup>58</sup>Sinta Kasim, Weni Octaviani, dan Harifuddin Lukman, "Rekonstruksi Etika Bisnis Islami dalam Perspektif Al-Qur'an," *El Fata: Journal of Shariah Economics and Islamic Education* 4, no. 1 (2022): 63-73.

Thus, entrepreneurship in the Qur'an can be interpreted by trading. So that not only running a business honestly and correctly, a Muslim entrepreneur must have the following characteristics:

1. Making the Qur'an and Sunnah a guide in life
2. Performing compulsory worship and other sunnahs
3. Alms to the poor in need
4. Always be patient and grateful for everything you have
5. Never give up and continue to be optimistic about running a business

Exemplifying the business principles of the Holy Prophet that can be applied in life, he said:

1. The principle of honesty (*shiddiq*), by not lying or deceiving buyers about the goods sold. This principle of *shiddiq* must always accompany all activities in business.
2. Trustworthy or trustworthy. For example, not cheating in weighing or measuring an item. So that Muslim entrepreneurs must maintain and hold the trust given.
3. *Fatanah* (capable and intelligent). Where a smart entrepreneur will be able to have a better work ethic and responsibility. He is able to develop himself with creativity and innovation.
4. *Tabligh* in business can include communication and argumentation by conveying the truth.
5. Avoiding excessive swearing in sales can increase results, but it reduces blessings.
6. Conduct transactions according to mutual agreement from both parties, namely between buyers and sellers.
7. Respect the rights and position of buyers, and serve wholeheartedly.

The application of Islamic Entrepreneurship-based business that researchers offer can be built on four main foundations presented in table 4 below.

Table 4. Application of Islamic Entrepreneurship-Based Business

No	Foundation of Islamic Entrepreneurship	Description
1	Foundation of monotheism / Foundation of monotheism (obedience to Allah)	<ol style="list-style-type: none"> <li>1. Building the Islamic foundation of the community in running life.</li> <li>2. Involve God in making decisions. Artian, when someone makes an effort, someone always does good things because they fear God's doom</li> </ol>
2	Construction in accordance with Islamic ethics	<ol style="list-style-type: none"> <li>1. Running a business that is halal and not <i>syubhat</i></li> <li>2. Implementation of Zakat, Infaq, and alms</li> <li>3. Prohibition of Riba, Maysir, and everything forbidden in Islamic economics</li> </ol>
3	Business activities include production, marketing, resource management, and finance	Carry out business activities consisting of production, marketing, resource management, and finance by taking into account the strategic steps to be taken.

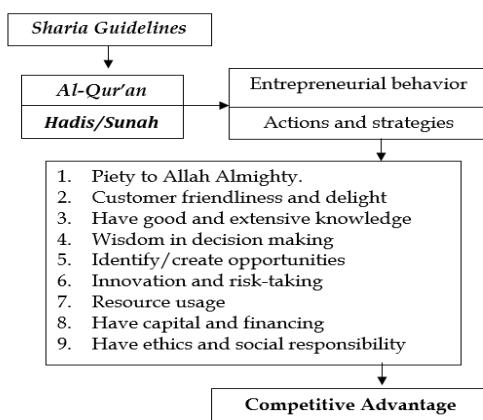
4	Objectives of economic and social development efforts	1. Increase the availability of goods or services 2. Increase per capita income 3. Encourage freedom in making economic and social choices with responsibility
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Source: Developed by researchers

The problem that often occurs for MSME actors is their vulnerability to changes that result in losses. This is because MSMEs have limited resources. The resilience of MSMEs can mean adaptation to change and welcoming rather than resisting change, having a resilient nature that comes from the willingness to work hard to achieve the expected goals and objectives.<sup>5960</sup>

Studies related to increasing resilience for MSMEs in the Islamic context are very important, this is due to several things. First, the pandemic has become a big problem that has a bad impact on MSMEs. Research on MSME resilience is the answer for MSMEs to successfully face the crisis from the impact of the Covid-19 pandemic. Second, MSMEs have a very important and strategic role, especially when viewed from the point of view of job opportunities, unemployment, sources of income, and poverty alleviation. Third, Islam can be an<sup>61</sup> important approach to how humans can surrender and be optimistic when disasters or problems occur.

Then to achieve resilience in companies or MSMEs based on Islamic entrepreneurship in order to gain resilience and competitiveness in business competition, both between similar businesses and for uncertain conditions. This can be illustrated below.



**Picture 1. Resilience Based on Islamic Entrepreneurship Concept**  
Source: Developed by researchers

<sup>59</sup>Muhammad Halim Maimun dan Hafidh Munawir, "Peran Karakteristik Kewirausahaan Islam dan Modal Sosial Islam Untuk Resiliensi UMKM," *Benefit: Jurnal Manajemen dan Bisnis* 7, no. 1 (2022): 93.

<sup>60</sup>Bullough, Renko, dan Myatt, "Danger Zone Entrepreneurs: The Importance of Resilience and Self-efficacy for Entrepreneurial Intentions," 473.

<sup>61</sup> Maimun dan Munawir, "Peran Karakteristik Kewirausahaan Islam dan Modal Sosial Islam Untuk Resiliensi UMKM"; Tulus Tambunan, "Peran Usaha Mikro dan Kecil dalam Pengentasan Kemiskinan di Daerah," *Jurnal Bina Praja* 04, no. 02 (2012): 73-92.

## CONCLUSION

The resilience of MSMEs in Indonesia in terms of the competitive advantages possessed by MSME actors is easily imitated and replaced at any time, depending on their ability to manage and run their businesses. There are two important points an organization is called having their competitive position based on *Resource Based View* (RBV) theory. First, resources are supposed to provide economic value and should always be scarce, difficult to replicate or copy, irreplaceable, and not easily accessible. Secondly, resources determine the performance of the company. This is knowledge related to the management of financial statements, where recording is still done through books manually, adding to the weak resilience of MSMEs in Indonesia. So to be resilient or survive and get back up, they must respond in various ways to disturbances to adapt to the challenges posed by the environment. So the business carried out by MSMEs is strongly influenced by three main factors consisting of capital availability, learning culture, and competitiveness owned.

The implementation of Islamic entrepreneurship-based business in Indonesia is still not carried out completely, this is due to the existence of MSME actors who still use conventional banks as a place to borrow business capital, they do not understand the principles of sharia that must be fulfilled in doing business. But each of them has tried to follow the Islamic principles of trade. Maintain business-related ethics that are applied based on principles. Entrepreneurship and business are strictly regulated in the Qur'an and hadith as guidelines and ethics and social responsibility based on the exemplary behavior of Muhammad saw. Where among MSME actors also always maintain honesty and sunnah worship and are mandatory.

### **Author's Contribution**

Muh. Nasir Hamzah, Amiruddin Kadir: Contribute to formulating research ideas, collecting data, processing data, and interpreting data.

Muhammad Wahyuddin Abdullah: Contributing to writing systematics, research methods.

Sinta Kasim: Contributing to analyzing interpretation results, the language proofread.

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The author declares that there is no conflict of interest.

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Ethical approval No patient-identifying parts in this paper were used or known to the authors. Therefore, no ethical approval was requested.

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