

## **Home Business Creativity, New Model Innovation for New Normal Era MSMEs in Ngagel Rejo Village, Surabaya City**

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**Abstract :** This study aims to analyze the influence of New Model Innovation Creativity, Home Business, and MSMEs in the New Normal Era in Ngagel Rejo Village, Surabaya City. The population in this study amounted to 380 MSMEs and the research sample amounted to 77 respondents while the formula technique used slovin. For data collection using questionnaires and documentation then analyzed using Multiple Linear Regression Test, t-test and F-test. The results of the analysis carried out using the t-test concluded that the variables of New Model Innovation Creativity and Home Business have a partial and significant effect on SMEs in the new normal era. With the results of the New Model Innovation variable, the t-count is 2,977 with a sig value of 0.004, while the F test results are 457.848 with a sig value of 0.000. Home Business Creativity t-count is 10,366 with sig 0.000.

**Keywords :** *Creativity, Innovation, MSMEs new normal*

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### **1. INTRODUCTION**

Indonesia and countries around the world arise problems due to the pandemic disease covid-19, which affects the world economy ranging from the problems of government companies, suwasta, MSMEs to the level of small communities impacting the reduction of income for daily needs to many unemployed due to layoffs. According to Law No.20 of 2008 which discusses MSMEs is published with an explanation of productive micro-businesses owned by individuals and individual business entities that have been fulfilled and based on an implementation of good corporate governance in the MSME sector, it is important to connect between large and small industries, and MSMEs can be used as an alternative in the field of employment without being tied to a company. The current state of the situation is caused by the Health Crisis of the community that restrains purchasing power, and the ability to buy. The effect of the economic downturn has the potential for business actors to adapt to a new culture in re-doing their old business with a new model of creativity and innovation from the circumstances we experienced in the covid-19 period. Entrepreneurial change and intense and fast competition are popping up competent entrepreneurs from millennials who are part of the virtual generation at this time. When entrepreneurs are late to take action it will be too late to take new opportunities emerging from the cycle of previous economic MSMEs.

Considering that Small and Medium Micro Enterprises on a small scale can contribute to the economy in Indonesia from the period of 1998 to the 2000s. MSMEs can survive in times of crisis even though dozens of leading companies that experience out-of-business government still contribute a lot in the process of the business. As with the term work from home where all work

activities are carried out from home including buying and selling trade activities, it is undeniable that many countries are affected by covid-19. In carrying out the latest business model innovations, MSMEs need to be evaluated for opportunities from the 5 elements of "C" namely Customer, Competitor, Collaboration, Company and Context which are influential in the direct process of the role of new business model innovation from some who survive, others are unable and looking for breakthroughs and optimistic and undeniable MSMEs make opportunities and rethink to be used as the bones of the Indonesian economy (Fahrudin et al, 2020).

In the advice of work and effort in the field of economics, according to Surah An-najm verse-39, to those who want to try hard Allah will reply perfectly. Every effort and effort that begins with the intention for Allah SWT. to meet the needs of life. A seller peddles his selling goods in the market while hoping that there is a lot of sustenance, office workers have the hope of earning as expected, so everyone makes a business to facilitate sustenance. Allah also promised him a reward according to what he did (Tafsir Ibn Kathir, Translation of the Qur'an Surah An-najm Verse 39).

## **1.1 Literature Review**

### **Home Business Creativity**

In the first step is intended to give a person's condition to easily bring creativity, can be obtained from formal education training, work experience. The second step is done to learn from a problem and identify the main components of the problem. The third step of transformation is to try to identify a data and information that has been collected here can apply to the relationship of information events and divergent thinking that is the ability to see differences. According to Suryana (2017) based on Zimmerer's opinion creativity can be meaningful as the development of new thinking, solving problems, and seeing opportunities. Creativity is measured from a mindset related to inherent aspects of psychology, both attitude and mental.

Success in a process lies in the willingness of MSMEs to always understand what consumers need through observation in someone who pursues to meet and achieve opportunities that can be achieved. In this case, entrepreneurs are required to be creative. Various forms of MSMEs from entrepreneurs can take advantage of creative ideas by running businesses that include, customers, goods and services and produce at this time. Entrepreneurs also have different thoughts about the way they think. From some of the above, we can draw the conclusion that creativity in general is a person's ability to create, produce or collaborate, on products produced in a different creativity.

### **New Model Innovation**

In this sense, the difference between innovation and creativity is very different. according to Sukmadi (2016) argues that which aims to encourage the occurrence of changes in all aspects of people's lives, including new thinking, goods produced, news, technology, institutions, behavior, norms, and new treatments that are not yet known to the public and approved or used by some local communities, aim to encourage changes in all aspects of people's lives. From the explanation contained in the Indonesian dictionary, the origin of the word innovation from English which means Innovation has the meaning of renewal, change (in) new. An innovation and understanding, in a process of application in the application of new ways and ideas. The success of innovation towards a unique or distinctive product so that innovation in the product is known. According to Zimmerer and Scarborough dan Subambang and Darmawan (2016) innovation is applying to the ability of creative solutions to problem opportunities, to improve

on enriching one's life. Business model innovation is said to be a fundamental finding in an existing business. The process of innovation of personal factors that support innovation in oneself, and improve achievement, which is curious, as well as in bearing risks, with educational factors and experience factors, Alma (2018). Environment factors support innovation, there are opportunities and experiences in creativity. Experience is a very valuable science in motivating pioneering efforts, and supported by opportunity and creativity, in the current era msme actors think hard about this pandemic, because of the many new opportunities and challenges so that MSMEs think carefully about innovation in responding to a current pandemic situation.

### **MSMEs of the New Normal Era**

Many events that have occurred resulted in an economic impact that declined significantly the cause of the pandemic, except for MSMEs mask production that soared high in demand and a price that affected the need. The need for MSMEs in the new normal era is also to continue to be considered. Basically an entrepreneur who has high fighting power(adversity quotient)need not be doubted, has motivational stability with the achievement of measurable targets in the situation ofthe new normal era. According to Wulan Ayodya (2020) ready or unprepared the whole country experiencing the industrial revolution 4.0, where there will be changes in various fields, with the MSME sector, marked and began to shift in consumer shopping style habits from offline to online. MSMEs can also know the competition is very tight in era 4.0, MSMEs can also know how to plan creative products as the discovery of new business product choices and a new variant in order to increase sales in a business, and one of the changes in influencing the business world is the Internet of Things (IoT).

In this case, business actors must be able to change their mindset while adapting to the changes of this era, because in the grip of our mobile phones there are thousands of information and conveniences for us, especially MSMEs, and recently the COVID-19 virus outbreak damaged the country in terms of economic, social, developing in a country. By utilizing the sophistication of a technology we make it easier for customers to buy our products without face to face, by utilizing social media, making social media such as blogs / websites. The State of Indonesia is one of the countries affected by its economy according to Pakpahan, (2020), from various sectors of economic impact hit by the State of Indonesia not only the MSME sector, the employment sector is also hit by the job seeker community. On April 17, 2020, as many as 37,000 MSMEs reported themselves to the Ministry of Cooperatives and SMEs affected by the Covid-19 pandemic, (Setiawan, 2020).

### **Hypothesis**

According to Yusuf (2017) The hypothesis is a problem or presumption, which needs to be reviewed for accuracy. Hypothesis means also temporary conclusion, and the construct that wants to be revealed to its accuracy, and shown to be tested for truth. The hypothesis that the author proposes based on the formulation of the above problem is as follows:

H1: How MSMEs take advantage in Creativity in Small Micro Home Businesses and Medium capital (MSMEs)?

H2: Many innovations market opportunities to improve the economy of home businesses and MSMEs

In the New Normal era ?

H3: Quality of service in accordance with social procedures distancing creativity and innovation activities in terms of product safety.

## 1.2 Research Results

The results of the research conducted are to analyze to get an overall picture of social conditions due to the impact of pandemics with new cultures (new normal era) with diverse characteristics. Sugiyono, (2019), Population is a generalization of the region on the object or subject that has certain qualities and characters set by the researcher, with the goals studied and drawn conclusions. In this study using non probability sampling using purposive sampling techniques. A population of 380 MSMEs who impacted the Covid-19 pandemic. According to Sugiyono, (2019) the sample is part of the number of characteristics, and is owned in the entire population. In this research that is used, the Slovin formula of MSME actors in Ngagel Rejo Village in Surabaya city as many as 77 MSMEs.

$$n = \frac{N}{(1 + N \cdot e^2)}$$

With a description:

n = Sample Size, (MSME Actor)

N = Population Size,

e = Percentage of influence  
(used by 10%)

Known:

N = 380

e = 10% (0.1)

The number of samples that will be studied is:

$$n = \frac{380}{1 + 380 \cdot (0.1)^2}$$

$$n = \frac{380}{2}$$

$$n = 76 + 1$$

$$n = 77$$

## Data Analysis

### Validity Test

To be known valid or not a data from the questionnaire, the validity testing process is required. How to correlate each respondent's answer variable score and the total score of each variable, then the correlation result compared to the value at the signification level, 0.05 (5%). The validity test measurement was conducted using the Product and Service Solution Statistics (SPSS) program which has been conducted using all 77 respondents. Here are the results of the analysis presented in the table below:

**Table 1.1**  
Validity Test

Items	Corrected Item-Total Correlation	Critical Value	Information
<b>Action</b>			
Variable Creativity of Home Business ( $X_1$ ) Indicator			
MsME Business Creativity	,587	0,5	Valid
MSME business training	,587	0,5	Valid
Giving Motivation	,870	0,5	Valid
Relationship Influence	,870	0,5	Valid
The desire to sell new products	,651	0,5	Valid
product manufacturing	,651	0,5	Valid
Go-digital influence	,649	0,5	Valid
MSME Opportunities	,649	0,5	Valid
Innovate product manufacturing	,575	0,5	Valid
Giving testers to new products	,575	0,5	Valid
Dare to open up new market share	,638	0,5	Valid
New Model Innovation Variable ( $X_2$ ) Indicator			
E-money digital payment methods	,638	0,5	Valid
Online networking facilities from the government	,301	0,5	Valid
Defined operating hours regulatory policy	,301	0,5	Valid
Change the sales method	,438	0,5	Valid
Promotion of products with online systems	,438	0,5	Valid
Validate the number of purchases	,239	0,5	Valid
Reduced MSME revenue during the pandemic	,239	0,5	Valid
Variable MSME new normal era (Y) Indicator			
Implementation of health protocols	,886	0,5	Valid
Maintaining the cleanliness of the selling place	,886	0,5	Valid
Social media can develop MSMEs	,506	0,5	Valid
Attracting buying customers at a discount	,506	0,5	Valid
Capital affects simple marketing a bit	,616	0,5	Valid
Lack of equitable distribution of social assistance	,616	0,5	Valid
Sanctions that violate PROKES	,827	0,5	Valid
Consequences of the relaxation of operating hours with provisions	,827	0,5	Valid

Source: Processed Data, (SPSS Output)

Based on the table it can be proven that all questionnaire items used in this study with significant values ( $<0.05$ ), and can be declared valid.

### Reliability Test

In the reliability test assessing the stability of the measure of consistency of respondents in answering questionnaires, this test uses Alpha Cronbach. According to Ghazali

(2018), the instrument is said to be reliable if Cronbach's Alpha coefficient > 0.6 with the analysis table obtained the following reliability coefficients:

**Table 1.2**  
**Test reliability variables of home business creativity, innovation of new models and MSMEs of the New Normal era**

Variable	Cronbach's Alpha	Minimum Reliability	Information
Home Business Creativity (X1)	0,877	0,6	Reliable
New Model Innovation (X2)	0,743		Reliable
MSMEs Of The New Normal Era (Y)	0,853		Reliable

Source: SPSS Output Reliability Test Test

### Multiple Linear Regression Analysis

The purpose of multiple linear regression analysis is to find out the linear relationship between two or more independent variables (X) and dependent variables (Y).

**Table 1.3**  
**Multiple Linear Regression Test**

Type	Unstandardized Coefficients		
		B	Std. Error
1	(Constant)	2,790	1,088
	Home Business Creativity (X.1)	.517	,046
	New Model Innovation (X2)	.235	.065

Source: Multiple Linear Regression SPSS Output Attachment

Data processed from the table above can be seen the constant value (value a) of 2,790 and for Home Business Creativity ( $\beta$  value) of 0.517 and New Model Innovation (value  $\beta$ ) of 0.235. So that can be obtained the regression equation that is  $Y = 2.790 + 0.517X_1 + 0.235X_2 + e$

**Table 1.4**  
**Correlation Coefficient and Coefficient of Determination**

Model Summary				
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.964 <sup>a</sup>	.929	.927	1.348

**Table 1.5**  
**Correlation Coefficient Achievement**

Correlation Coefficient Interval	Relationship Level
0,000 – 0,199	Very Low



<b>0,200 – 0,399</b>	Low
<b>0,400 – 0,599</b>	Keep
<b>0,600 – 0,799</b>	Strong
<b>0,800 – 1,000</b>	Very Strong

### Hypothesis Testing

#### Test the hypothesis partially (Uji-t)

This partial t-test aims to find out or test hypotheses individually or partially between independent variables. Based on the test-t can be seen the table below:

**Table 1. 6**  
**Partial t Test Results**

Type	t	Sig.
(Constant)	2,565	.012
Home Business Creativity (X <sub>1</sub> )	11,352	.000
New Model Innovation (X <sub>2</sub> )	3,603	.001

Source: Primary Data Processed (2021)

In the Home Business Creativity variable (X<sub>1</sub>), the value t calculated = 11,352 > t tables and significance of 0.000 < 0.05 which means the Variable Creativity of a Home Business (X<sub>1</sub>) has a significant effect on the variable MSMEs of the New Normal Era (Y). In the New Model Innovation variable (X<sub>2</sub>), the value t calculate = 3.603 > t table and significance 0.001 < 0.05 which means the New Model Innovation variable (X<sub>2</sub>) has a significant effect on the new normal era (Y) MSME variable.

#### Uji hipotesis secara simultan (Uji F)

The F test is a simultaneous test (together), from the concept of linear regression which is a test of whether the regression model is always obtained and correctly accepted.

**Table 1.7**  
**Simultaneous F Test**

	F	Sig.
<b>Regression</b>	482,423	,000 <sup>b</sup>

Source: Primary Data Processed (2021)

### Hypothesis Proving and Discussion

The results of the analysis of home business creativity style variables affect MSMEs of the New Normal Era. This means that the better the Creativity of Home Business produced then the NEW NORMAL ERA MSMEs will be better, and vice versa if the Creativity of Home Business is less or not good then msme New Normal era is not good as well. The results of

this study are in line with the findings of Aris Wijanarko et al (2016) that research has a desire to be explored various success factors in a creative MSMEs with effectiveness referring to the ability to generate more income. In interview activities conducted by researchers, the variables of Home Business Creativity are significant to MSMEs of the New Normal Era in pandemic times. New Model Innovation ( $X_2$ ) affects the variables of MSMEs of the New Normal Era (Y). The results of the analysis of new model innovation variables have a significant effect on MSMEs of the New Normal Era. This means that if new model innovation increases, the MSMEs of the New Normal Era will increase and become good. The results of this study are supported by the findings of Ernani Hadiyati (2011), Innovation has a partial effect on entrepreneurship to create an unprecedented new work. It is suitable to be applied to pandemic situations and significant to new normal era MSME variables. Home Business Creativity ( $X_1$ ) and New Model Innovation ( $X_2$ ) affect MSMEs of the New Normal Era (Y). It was analyzed that the variables of Home Business Creativity and Innovation new models were tested in a

Likewise with the results of Ernani Hadiyati's research (2011), simultaneous innovation in MSMEs of the New Normal Era has a significant effect. This means that Home Business Creativity and Innovation of the appropriate New Model will give rise to the appropriate and appropriate New Normal Era MSMEs. The results of this study are supported by the findings of Aris Wijanarko et al (2016), that the research aims to be able to explore various success factors in a Creative MSME with effectiveness referring to the ability to generate an income that is more partially influential on entrepreneurship to create a new work that has never happened very suitable to be applied to pandemic situations. And continued research by Andri Amri (2020), that this research aims to be able to analyze and examine the impact of pandemic situations on MSMEs in Indonesia, from changing business models, designing to implementing social and digital strategies. With research to analyze the effects of micro small and medium enterprises in the pandemic season of the new normal era and very influential on MSMEs of the New Normal era in Ngagel Rejo Village, Wonokromo Surabaya.

### **1.3 Conclusions**

The Covid-19 event in Indonesia has a very impact on the community and especially felt directly by MSMEs who are not equal in the economy and the decrease in sales turnover due to the many warnings from the government of the implementation of PSBB and PPKM in the current conditions. MSME actors must have a strategy to be able to survive in the midst of this pandemic and are required to be able to adjust their efforts to the conditions that occur, thus changing the mindset and changing the perspective of the challenge into an opportunity for those MSMEs.

### **Thank you**

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