

## Determinant Factors Of Business Resilience In Fishery Processing SMEs During The Covid 19 Pandemic

Ian Nurpatria Suryawan<sup>1\*</sup>, Innocentius Bernarto<sup>2</sup>, and Ronnie Resdianto Masman<sup>3</sup>

<sup>1</sup>Trisakti School of Management

<sup>2</sup>Pelita Harapan University

<sup>3</sup>Tarumanagara University

**Email Address:**

*inp@tsm.ac.id\**, *bernarto227@gmail.com*, *ronniem@fe.untar.ac.id*

*\*Corresponding Author*

**Abstract:** Fisheries processing entrepreneurs in Jakarta focus on developing strategic management by increasing innovation capabilities so as to improve organizational performance and have a significant competitive advantage so that they can survive the covid 19 pandemic. The population is 4 (four) DKI Jakarta municipality area with total sample of 100 fishery processing entrepreneurs. Samples were taken randomly and performed at some stage in February 2022. For records processing using *convenience sampling*. The study prove that competitive intensity has affect on organization performance, competitive intensity has affect on organization innovation, competitive intensity has affect on organization performance mediated by means of organization innovation, organizational slack has have an effect on on enterprise innovation, organizational slack has affect on business enterprise performance, organizational slack has affect on organisation overall performance mediated through organisation innovation, organization innovation has affect on organization performance although not sizeable.

**Keywords:** Resilience; Fishery Processing SMEs.

**Abstrak:** Para pengusaha pengolahan perikanan di Jakarta berupaya untuk fokus pada pengembangan manajemen strategis dengan meningkatkan kemampuan inovasi sehingga meningkatkan organization performance serta memiliki keunggulan kompetitif yang signifikan sehingga dapat bertahan pada kondisi pandemi covid 19. Populasi berasal dari 4 (empat) wilayah kotamadya DKI Jakarta dengan jumlah sampel 100 pengusaha pengolahan perikanan. Sampel diambil secara acak pada bulan Februari 2022 serta metode pengolahan data menggunakan *convenience sampling*. Hasil penelitian ini adalah competitive intensity memiliki pengaruh positif terhadap organization performance, competitive intensity memiliki pengaruh positif terhadap organization innovation, competitive intensity memiliki pengaruh positif terhadap organization performance yang dimediasi oleh organization innovation, organizational slack memiliki pengaruh positif terhadap organization innovation, organizational slack memiliki pengaruh positif terhadap organization performance, organizational slack memiliki pengaruh positif terhadap organization performance yang dimediasi oleh organization innovation, organization innovation memiliki pengaruh positif terhadap organization performance walaupun tidak signifikan.

**Kata Kunci:** Ketangguhan; UKM Pengolahan Perikanan.

## INTRODUCTION

During the Covid 19 pandemic in Indonesia, especially in the city of Jakarta which is the capital city of Indonesia, many companies find it difficult to survive due to limited human movement. The fisheries sector is one of Indonesia's mainstays, especially for the fishing industry, which has a very good selling value (Suratman, 2021). Furthermore, Suratman said, "At the beginning of 2020, Indonesia experienced a pandemic because there was a spread of the Covid 19 virus. A large number of people were infected with the virus, so the government made a policy of implementing social distancing, PSBB, lockdowns, causing limited movement of people and goods, impacting on the disconnection of the distribution chain, so that it also has an impact on the fishery sector". The Covid 19 pandemic has broad impacts and risks, especially in the fisheries sector, where the Covid 19 pandemic has affected the sustainability of fishery product production and marketing activities which if it lasts for a long time will have an impact on the income of fishery processing business owners significantly. During the pandemic in Indonesia, the marketing of fishery products decreased significantly by more than 50 percent. (Suratman, 2021) also said that the decline can be seen in the decline in selling prices to the lowest point. This happens because there is a tightening of the mobility of people and the distribution of goods which also results in a shortage of stock and an increase in the logistics costs of fishery products.

For that is reason, innovation is still very much needed by companies because many businesses find it difficult to survive and if the company is not competitive then the company will not last long, especially the fisheries processing SMEs business. For this reason, companies must have a competitive advantage by producing products that are not easily imitated by competitors and have added value and can provide benefits for management and customers (Wagner and Hollenbeck, 2014). Based on the perspective of change from external to the company, organizational slack is a facilitator to realize the strategic plans determined by management (Brida et al., 2016; Yoon et al., 2018).

The authors makes this study continue the research conducted by (Ganguly et al., 2019) to focus on developing strategic management in order to help companies improve innovation capabilities so as to improve organizational performance and have a significant competitive advantage so that companies can survive in the face of increasingly business competition, tight, especially the resilience of the fishery processing business during the covid 19 pandemic. The novelty of this research is that there is no research on business resilience in the fisheries processing SMEs business sector, especially for the Indonesian state in the coastal city of Jakarta.

**Research Purposes.** This study aims to analyze and find out: (1) The affect of competitive intensity on organization performance. (2) The affect of competitive intensity on organization innovation. (3) The affect of organizational slack on organization performance. (4) The affect of organizational slack on organization innovation. (5) The affect of organization innovation on organization performance. (6) The affect of competitive intensity on organization performance mediated by organization innovation. (7) The affect of organizational slack on organization performance mediated by organization innovation.

## THEORETICAL REVIEW

**Competitive Intensity.** The company's management uses its resources and innovates to minimize the risk of loss and uncertainty (Marín-Idárraga and Cuartas-Marín, 2019). It is also worth noting the importance of knowledge about regional inequalities and how to manage social, environmental and cultural impacts (Xing-Zhu and Qun, 2014). (Suryawan, 2022) has proven in his research that competitive intensity can lead to increased organization innovation for companies. In this case, competitive intensity is also one of the success factors for maximizing organization performance (Laksmana and Yang, 2015) because there is an impact of proactive market orientation on radical service innovation and organization performance cannot be separated from external factors, namely competitive intensity and internal factors, namely company size (Ngatno, 2015). In research conducted by (Ahmed and Afza, 2019) that competitive intensity can anticipate the limitations of company profits and market segments in the same industry. So, with profits that cannot be maximized, companies need to innovate.

(Marín-Idárraga and Cuartas-Marín, 2019) provides indicators of competitive intensity, namely: (1) Management is trying it is best in terms of price competition. (2) Management have a competitive influence on the operational sector. (3) Management is trying to improve the ability to face competitors.

So based on the theories and the results of previous studies listed above, a hypothesis can be made, namely:

**H1a:** Competitive intensity has affect on organization performance.

**H1b:** Competitive intensity has affect on organization innovation.

**H1c:** Competitive intensity has affect on organization performance mediated by organization innovation.

**Organizational Slack.** Management determines the tasks to be completed by the team and utilizes available resources to minimize the risk of loss during uncertain times. The abundant resources owned by the company can meet the declining demand, so as to minimize the losses faced by the company (Marín-Idárraga and Cuartas-Marín, 2019). (Suryawan, 2022) through his research has proven that organizational slack has an influence on organization innovation. For this reason, companies must be able to innovate by having the capacity to adapt to environmental changes. Organizational slack needs to be considered by company management because it needs to decide on the resources that can be used by the company at critical times. Furthermore, management needs to pay attention to renewable resources to overcome the company's problems at this critical time (Gabrys, 2018). Renewable resources can be obtained through equity or through debt. Through his research, (Guha, 2016) has also proven that companies must strive to increase extra resources so that companies can always be ready in any condition.

(Marín-Idárraga and Cuartas-Marín, 2019) provide indicators of organizational slack, namely: (1) Management has the ability to make strategic decisions. (2) Management has the cappable to make long-time period plans. (3) Management has discretion in terms of administration to make new long-term plans.

For this reason, based on the theories and research results that have been previously mentioned above, there are hypotheses, namely:

**H2a:** Organizational slack has affect on organization performance.

**H2b:** Organizational slack has affect on organization innovation.

**H2c:** Organizational slack has affect on organization performance mediated by organization innovation.

**Organization Innovation.** Company management must make a new change, namely innovation (Ganguly et al., 2019). For this reason, company management needs to consider a good business business so organization performance is maximized, also innovation is something that can ultimately improve organization performance (Alawamleh et al., 2018). (Adam et al., 2020) argues that organizational innovation is an approach in knowledge management and can make changes in organizational strategies, structures, procedures and administrative systems that can maximize organizational team performance, information sharing, coordination, collaboration, learning and innovation. A successful organization is to have creativity and dynamic innovation, for that all work teams in the organization must be creative and innovative to adapt to changes that occur and to meet the needs of society to survive. There are several research results that show a positive relationship between organization innovation and organization performance. In this case, innovation is the ability to seek creative ideas in order to improve and improve the company. Innovation offers novelty to improve the quality of performance. Innovation in business can have a good impact on organizational performance (Daniloska and Mihajlovska, 2015). So it can be said, innovation is the development and implementation of new ideas with different individuals from time to time, (Suryawan, 2022) proves through his research that competitive intensity can accelerate business development, can obtain innovation to gain competitive advantage, can adopting the new product from innovation processes, supply chain processes, pricing processes when the organizational environment is unstable. (Aruchalam et al., 2018) argues, innovation is the application of new ideas that aim to update the components of the business model and affect the business environment and have an impact on organizational performance. Innovation is an unprecedented ability as a result of creating production with complete and systematic resources, so it can be said that innovation is the result of inspiration that can be studied, developed and applied to achieve the organization's vision and mission. Through innovation there is a uniqueness owned by the company so that it becomes the main competitive advantage for the company. Innovation can increase the value of the company and gain an advantage in a highly competitive market (Maravić et al., 2015). Innovation is really necessary to keep a company viable, this is repeated based on the opinion of (Rampersad, 2020). Research conducted by (Maravić et al., 2015) has proven that there are problems in the company if the company does not innovate.

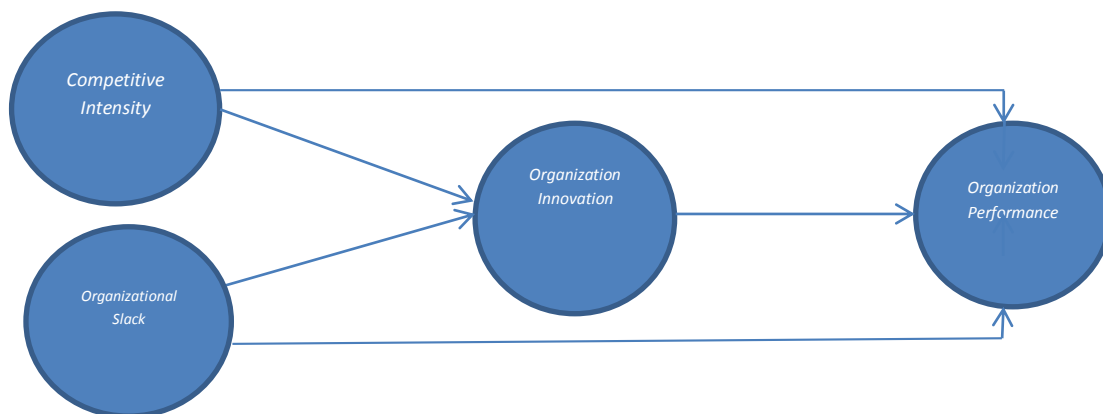
(Ganguly et al., 2019) provide indicators of organizational innovation, namely: (1) Management has been creative in being creative (innovation capability). (2) Able to understand the thoughts of others (tacit knowledge sharing). (3) Able to demonstrate integrity (social capital relational). (4) Able to demonstrate commitment in terms of advancing the company (social capital cognitive).

Based on the theories above, then the hypothesis is:

**H3:** Organizational innovation has influence on organization performance.

**Organization Performance.** Organization performance is the goal placing established by an organization through innovation to enable it to exist in a dynamic environment (Turulja and Bajgorić, 2018). Performance is a balance between efficacy and efficiency. Efficacy is the achievement of goals, and efficiency is the optimal use of resources (Auh and Menguc, 2005). Organization performance is an achievement based on performance standards that have been set by the organization management (Wilden and Gudergan, 2017). The effect on the organization's performance as a whole is based on the duties of the company's management (Alawamleh et al., 2018). It is far evident from the outcomes of research performed (Marín-Idárraga and Cuartas-Marín, 2019) that thru the usage of appropriate assets and increasing offerings and maximum organization activities, organization performance is maximized.

(Wilden and Gudergan, 2017) provides indicators of organization performance, namely: (1) Management is able to increase sales. (2) Management is able to reach market segments. (3) Management is able to achieve profit goals.



**Figure 1.** Research Framework  
Source: Research Framework, 2022

## METHODS

This study uses a mixed method research which aims to test the accuracy of the research results based on the results of statistical data processing of respondents' perceptions by interviewing the respondents directly. *Mixed method research* provides guidance when analyzing the results of statistical test data. As a method, *mixed method research* emphasizes the activities of collecting, analyzing, and conducting mixed qualitative and quantitative data in one or a series of studies. *Mixed method research* uses quantitative and qualitative approaches simultaneously so as to provide a better understanding of research problems (Masrizal, 2012).

This study has population data from 4 (four) municipalities of DKI Jakarta and samples taken from a population of 100 fishery processing business owners. Samples were taken randomly during February 2022. For data processing using the *convenience sampling* method, by selecting fishery processing SMEs business owners who were willing to fill out questionnaires, then the data was processed using WarpPLS software version 7.0 (Sekaran and Bougie, 2016). After the results of the statistical data processing were completed, interviews were carried out again to 4 (four) fishery processing business owners, each from 4 (four) municipalities of DKI Jakarta.

**Table 1.** Profile of Respondents Filling Out the Questionnaire

Respondent	Total	Percent
<b>Men / Women</b>		
1. Men	72	72
2. Women	28	28
<b>Ages</b>		
1. 16 - 35 years	25	25
2. 36 - 50 years	48	48
3. More than 51 years	27	27
<b>Level of Educations</b>		
1. Not pass SD	18	18
2. Graduated from SD	21	21
3. Graduated from SMP	30	30
4. Graduated from SMA/SMK	25	25
5. Graduated from undergraduate	6	6

Source: Survey, 2022

Table 1. Profiles has a sample of 100 respondents who own fish processing SMEs in the 4 (four) DKI Jakarta municipality area. The number of owners of fishery processing SMEs business is 100 people, the most are 72 men or 72 percent male, the remaining 28 women or 28 percent female. For the age of fishery processing SMEs business owners, the most dominant is in the age range of 36-50 years as many as 48 people or as much as 48 percent, the next is over 51 years old as many as 27 people or as many as 27 percent, the next age between 16-35 years as many as 25 people or 25 percent. Education level of the owners of fisheries processing SMEs, the most dominant is graduating from SMP as many as 30 people or as much as 30 percent, then graduating from SMA/SMK as many as 25 people or 25 percent, next graduating from SD as many as 21 people or 21 percent, then did not pass SD as many as 18 people or 18 percent and lastly, fishery processing SMEs business owners graduated from undergraduate as many as 6 people or 6 percent.

**Table 2.** Interviewed Respondent Profile

No.	Code	Gender	Roles
1.	P1	Men	The owner of a fishery processing business in the North Jakarta area
2.	P2	Women	The owner of a fishery processing business in the West Jakarta area
3.	P3	Men	The owner of a fishery processing business in the Central Jakarta area
4.	P4	Men	The owner of a fishery processing business in the East Jakarta area

Source: Survey, 2022

Table 2. Profile of respondents who were interviewed were representatives from each area of Jakarta. The following are the stages of conducting interviews: (1) reading interview transcripts, (2) taking notes, (3) developing emerging themes, (4) looking for relationships between emerging themes, and (5) proceeding to the next emerging themes. (Smith et al., 2009). The results of the interviews will be compared with the results of hypothesis testing in the discussion chapter. It will be seen whether there is a match between the relationship between variables using statistical test tools and re-interviews.

**Table 3.** Variables, Definitions, Indicators, Scales and Sources

No.	Variables	Definitions	Indicators	Scales	Sources
1	Competitive Intensity	The company's management uses its resources and innovates to minimize the risk of loss and uncertainty.	1. Price competition (CI1). 2. Operational sector competition (CI2). 3. Increase competition (CI3).	Ordinal	(Marín-Idárraga and Cuartas-Marín, 2019)
2	Organizational Slack	The abundant resources owned by the company can meet the declining demand, so as to minimize the losses faced by the company.	1. Strategic decisions (ORS1). 2. Long term plan (ORS2). 3. Administrative discretion (ORS3).	Ordinal	(Marín-Idárraga and Cuartas-Marín, 2019)
3	Organization Innovation	The company's management made a new change.	1. Innovation capability (OI1). 2. Tacit knowledge sharing (OI2). 3. Social capital relational (OI3). 4. Social capital cognitive (OI4).	Ordinal	(Ganguly et al., 2019)
4	Organization Performance	Organization performance is an achievement based on performance standards that have been set by the organization management.	1. Increase sales (OP1). 2. Market segment (OP2). 3. Profit goal (OP3).	Ordinal	(Wilden and Gudergan, 2017)

Source: Journals, 2017-2019

Table 3. shows the variables and definitions of competitive intensity which have indicators of price competition (CI1), operational sector competition (CI2), increase competition (CI3), variables and definitions of organizational slack which have indicators of strategic decisions (ORS1), long term plan (ORS2), administrative discretion (ORS3), variables and definitions of organization innovation that have indicators of innovation capability (OI1), tacit knowledge sharing (OI2), social capital relational (OI3), social capital

cognitive (OI4), variables and definitions of organization performance that has indicators of increase sales (OP1), market segment (OP2), profit goal (OP3).

## RESULTS

The following are the results of statistical data processing consisting of evaluation, discriminant, collinearity, path, path coefficient and t-statistics, indirect, coefficient of determination. In the evaluation, the AVE measure is useful for measuring the reliability of the latent variable component score and the results are more conservative than CR. If all indicators are standardized, then the AVE value will be the same, namely in the form of the average value of block communalities. Discriminant shows the relationship between variables and can be distinguished for the response variable and explanatory variable, while collinearity explains that there is a perfect linear relationship for several variables in the research model. The tolerance value is the amount of the error rate that is justified statistically while the VIF value is the standard deviation of the square. Path coefficient is very useful to show the size or effect or influence of the independent variable on the dependent variable. For coefficient determination (R-Square) it is useful to measure the number of endogenous variables influenced by the number of other variables.

### Outer model

**Table 4.** Evaluation

<i>Items</i>		<i>Outer Loading</i>
<i>CI (AVE = 0.771, CR = 0.910)</i>		
CI1	Price competition.	0.872
CI2	Operational sector competition.	0.907
CI3	Increase competition.	0.857
<i>ORS (AVE = 0.709, CR = 0.879)</i>		
ORS1	Strategic decisions.	0.806
ORS2	Long term plan.	0.892
ORS3	Administrative discretion.	0.852
<i>OI (AVE = 0.651, CR = 0.881)</i>		
OI1	Innovation capability.	0.755
OI2	Tacit knowledge sharing.	0.771
OI3	Social capital relational.	0.829
OI4	Social capital cognitive.	0.867
<i>OP (AVE = 0.809, CR = 0.927)</i>		
OP1	Increase sales.	0.904
OP2	Market segment.	0.865
OP3	Profit goal.	0.929

\* = significant

Source: Process, 2022

Table 4. shows the evaluation. AVE shows an average or higher than the construct and is capable of provide an explanation for greater than half of the indicator variance (Hair et al., 2017). The outer loading value must be greater than AVE. It can be seen that the AVE of the competitive intensity construct is 0.771. The outer loading for the price competition item (CI1) of 0.872, the operational sector competition (CI2) of 0.907, increase competition



(CI3) of 0.857, the AVE of the organizational slack construct is 0.709 with the outer loading for the item strategic decision (ORS1) is 0.806, long term plan (ORS2) is 0.892, administrative discretion (ORS3) is 0.852, the AVE of the organizational innovation construct is 0.651 with outer loading for innovation capability (OI1) items of 0.755, tacit knowledge sharing (OI2 ) is 0.771, social capital relational (OI3) is 0.829, social capital cognitive (OI4) is 0.867, the AVE of the organization performance construct is 0.809 with the outer loading for increase sales (OP1) of 0.904, market segment (OP2) of 0.865, profit goal (OP3) is 0.929. An AVE score of 0.500 or higher indicates that the mean composition explains more than half of the index variance (Hair et al., 2017). The highest AVE score is organization performance of 0.809 and the lowest AVE score is organization innovation of 0.651.

CR scores between 0.600 and 0.700 were acceptable in exploratory studies, but scores between 0.700 and 0.900 may be considered better in further studies (Hair et al, 2017). CR score underneath 0.600 suggests a lack of inner consistency (Hair et al., 2017). We can see that the CR for competitive intensity is 0.910, the CR for organizational slack is 0.879, the CR for organization innovation is 0.881, and the CR for organization performance is 0.927. The highest CR score is organization performance of 0.927 and the lowest CR score is organizational slack of 0.879.

Convergent Validity indicates the outer loading is extra than 0.700, that means that the reflective indicator can be maintained (Hair et al., 2017). In this case, the outer loading is greater than 0.400 but smaller than 0.700 so it is considered for deletion (Hair et al., 2017).

**Table 5.** Discriminant

Constructs	CI	ORS	OI	OP
CI	0.878			
ORS	0.664	0.842		
OI	0.757	0.640	0.807	
OP	0.735	0.609	0.721	0.899

Source: Process, 2022

Table 5. The discriminant is based on empirical criteria, we find that the construct differ significantly from other constructs (Hair et al., 2017). Fornell-Larcker uses the method of comparing the square root of the AVE score to the latent variable correlation.

### Inner Model

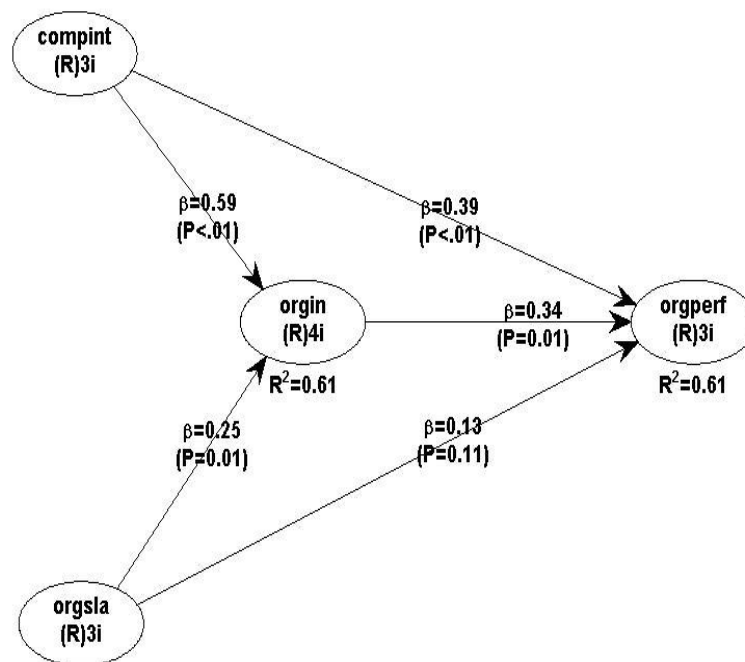
**Table 6.** Collinearity

Constructs	CI	ORS	OI	OP
CI				
ORS				
OI	1.788	1.788		
OP	2.684	1.941	2.541	

Source: Process, 2022

Table 6. In collinearity, the VIF score is known for the latent variable in each column (predictor), which refers to the latent variable in each row (criteria). It can be seen that the VIF score is below 5, meaning that it does not eliminate one of the indicators.

There is a way to assess collinearity by applying the same measure to the constructs evaluation of measurement model (i.e., tolerance and VIF value) (Hair et al., 2017). The critical level by collinearity shows that tolerances or VIF guidelines, it can be considered removing constructs, combining predictors in one construct, or making constructs at a high level (Hair et al., 2017). The high collinearity, i.e. a VIF score of 5 or higher, one may consider to delete one of the indicators (Hair et al., 2017).



**Figure 2.** Models  
Source: Process, 2022

Figure 2. shows the models, there is a model test result at a significance level of 5 percent for that the relationship between competitive intensity and organization performance is significant at 39 percent with a  $p$ -value of less than 1 percent, the relationship between competitive intensity and organization innovation is significant at 59 percent with a  $p$ -value of less than 1 percent, the relationship between organizational slack and organization innovation is significant at 25 percent with a  $p$ -value of 1 percent, the relationship between organizational slack and organization performance is significant at 13 percent with a  $p$ -value of 11 percent, the relationship between organization innovation and organization performance is significant at 34 percent with a  $p$ -value of 1 percent.

**Table 7.** Path, Path Coefficient and t-statistics

Path	Path Coefficient	t-statistics
CI -> OP	0.389	2.677*
CI -> OP	0.594	5.468*
ORS -> OP	0.131	2.341*
ORS -> OI	0.245	2.297*
OI -> OP	0.343	0.213

Note: \* = significant

Source: Process, 2022

Table 7. For the inner model it is explained that Path, Path Coefficient and t-statistics, is the test results thru the direct have an affects competitive intensity on organization performance are 0.389 with t-statistics of 2.677 because of this that competitive intensity directly and significant affects organization performance. There is an instantaneous have an impact on of competitive intensity on organization innovation of 0.594 with t-statistics of 5.468 which means that competitive intensity directly and extensively affects organization innovation. There may be an immediate affects organizational slack on organization performance of 0.131 with t-statistics of 2.341 which means that organizational slack directly and considerably affects organization performance. There may be an immediate impact of organizational slack on organization innovation of 0.245 with t-statistics of 2.297 this means that organizational slack immediately and extensively impacts organization innovation. There is a direct affect of organization innovation on organization performance of 0.343 with t-statistics of 0.213 because of this that organization innovation directly and not significantly influences organization performance.

**Table 8.** Indirect

Path	Path Coefficient	p-values
CI -> OI -> OP	0.203	0.034*
ORS -> OI -> OP	0.084	0.018*

Note: \* = significant

Source: Process, 2022

Table 8. shows indirect, it is able to be seen that the consequences of mediation testing thru the indirect effect of competitive intensity on organization performance thru organization innovation is 0.203 with a *p*-value of 0.034 which means that competitive intensity circuitously and significant impacts organization performance through organization innovation. Additionally, the indirect effect of organizational slack on organization performance thru organization innovation is 0.084 with *p*-value of 0.018 which means that organizational slack circuitously and extensively influences organization performance thru organization innovation.

**Table 9.** Coefficient of Determination

Constructs	R <sup>2</sup>
OI	0.61
OP	0.61

Source: Process, 2022

Table 9. shows coefficient of Determination, it could be seen that the consequences of a good R-square (Ghozali and Latan, 2015) are the organization innovation variable of 0.610 and the organization performance variable of 0.610. The organization innovation variable is capable of explain the variance of the dependent variable through 61 percent and the organization performance variable is able to give an explanation for the variance of the based variable of 61 percent. The value of R<sup>2</sup> range from 0 to 1, with a better level indicating a better degree of prediction accuracy. (Hair et al., 2017).

## DISCUSSION

**Research findings.** In the research finding shows the hypothesis of H1a, competitive intensity has affect on organization performance obtains high-quality standardized path coefficient of 0.389 and the use of a one-tailed test based on t is more than 1.645, the t-statistic result is 2.677 because of this that competitive intensity at once and extensively affects organization performance. This shows that competitive intensity has a direct relation with organization performance. That is in accordance with the idea of (Laksmna and Yang, 2015) which states that competitive intensity is also one of the success factors for maximizing organization performance.

For the hypothesis of H1b, competitive intensity has affect on organization innovation, obtains high-quality standardized path coefficient of 0.594 and the use of a one-tailed test based on t is more than 1.645, the t-statistic result is 5.468, which means that competitive intensity at once and extensively affects organization innovation. This suggests that competitive intensity has affect on organization innovation. Competitive intensity has affect on organization innovation supported thru competitive intensity that can have an impact on growing organization innovation. That is in accordance with the idea of (Marín-Idárraga and Cuartas-Marín, 2019) which states that competitive intensity can provide an explanation for the phenomenon of businesses going through a competitive environment and the effects resulting from the improvements that have been finished.

For the hypothesis of H1c, competitive intensity has affect on organization performance mediated by organization innovation obtains high-quality standardized path coefficient of 0.203 and the use of *p*-values are smaller than 0.050, it outcomes in *p*-values of 0.034 which means that competitive intensity circuitously affects organization performance. This results of mediation trying out through the indirect affect of organization innovation are extensive.

For the test results on the H1a, H1b and H1c hypotheses are supported by theory and research from (Ahmed and Afza, 2019), competitive intensity can anticipate the constraints of organization income and market segments inside the identical industry. So, with earnings that cannot be maximized, corporations want to innovate. Organization management desires

to utilize its resources through innovating in order that it is able to avoid loss and uncertainty factors (Marín-Idárraga and Cuartas-Marín, 2019).

The hypothesis of H1a, H1b and H1c are also supported by (Xing-Zhu and Qun 2014) regarding the importance of knowledge about regional inequality and how to manage social, environmental and cultural impacts. In this case, competitive intensity is one of the success factors to maximize organization performance (Laksana and Yang, 2015).

The owner of a fishery processing business from the North Jakarta area said, "*The selling price of processed fish is fiercely competitive and the level of competition is getting higher*" (P1). In this case, in the North Jakarta area, because there are most fishery processing companies, the level of competition is higher so that innovation is needed and to survive in times of difficulty, so companies need to innovate by using resource savings (Marín-Idárraga and Cuartas-Marín, 2019).

Meanwhile, business owners from the West, Central and East Jakarta areas said, "*The price of processed fish is getting cheaper, while the raw materials are getting more expensive because there is an increase in prices due to the scarcity of raw materials to process fish*" (P2)(P3)(P4). "*The level of competition is indeed not too high during the Covid 19 pandemic because sales are not too much*" (P2)(P3)(P4).

The hypothesis of H2a, organizational slack has affect on organization performance, obtains high-quality standardized path coefficient of 0.131 and the use of a one-tailed test based on  $t$  is more than 1.645, the  $t$ -statistic result is 2.341, because organizational slack directly and significantly circuitously affects organization performance. This suggests that organizational slack has a right away courting with organization performance. The results of this study match the theory of (Marín-Idárraga and Cuartas-Marín, 2019) which states that organizational slack approach that the organization performance survives and may adapt to modifications that arise in the organization's environment so that it has a high quality affects so that it could enhance organization performance as evidenced by using studies carried out with the aid of (Marín-Idárraga and Cuartas-Marín, 2019) that there is relation between organizational slack and organization performance.

The hypothesis of H2b, organizational slack has affect on organization innovation obtains high-quality standardized path coefficient of 0.245 and the use of a one-tailed test based on  $t$  is more than 1.645, the  $t$ -statistic result is 2.297 because of this organizational slack at once and appreciably affects organization innovation. This suggests that organizational slack has an immediate relationship with organization innovation. The results of this study match the theory of (Suryawan, 2022) through his research has proven that organizational slack has affect on organization innovation.

The hypothesis of H2c, organizational slack has affect on organization performance mediated by organization innovation obtains high-quality standardized path coefficient of 0.084 and the use of  $p$ -values are smaller than 0.050 then outcomes in  $p$ -values of 0.018 this means that organizational slack not directly impacts organization performance. Which means that the effects of mediation trying out through the indirect affect of organization innovation are extensive.

The test results on the H2a, H2b and H2c hypotheses are supported by theory and research from (Marín-Idárraga and Cuartas-Marín, 2019) which states that the organizational management determines the tasks that have been completed by the team by relying on the available resources in order to minimize the risk of loss during times of

uncertainty. Abundant resources owned by the company can meet the declining demand, so as to minimize the losses faced by the company. For this reason, organizational slack needs to be considered by company management because it can decide on the resources used by the company at critical times. Hypotheses H2a, H2b and H2c are also supported by (Gabrys, 2018) which states that management needs to pay attention to renewable resources to overcome company problems at critical times. Renewable resources can be obtained through equity or through debt. (Guha, 2016) also supports the hypothesis that the company should seek to increase the extra resources so that the company can always be ready in any condition.

During the difficult time due to Covid 19, the owners of fishery processing businesses said, *"We use our stored raw materials to process them into processed fish because we always buy more raw materials when prices are low"* (P1), while other business owners say, *"We are currently unable to buy raw materials because the price of raw materials is expensive, so we sell our products in a limited manner, this causes prices to be a bit expensive"* (P2). *"Innovation needs to be done by us, this is what allows us to survive"* (P4). In this case, the company can use its resources, especially when they are in abundance, to be used when the company is experiencing difficult times (Marín-Idárraga and Cuartas-Marín, 2019).

The hypothesis of H3, organization innovation has affect on organization performance, obtains high-quality standardized path coefficient of 0.343 and the use of a one-tailed test primarily based on t is more than 1.645, the t-statistic result is 0.213, this means that the organization innovation has a direct relationship with organization performance, even though it is not good sized.

The effects of this study are in accordance with the principle from (Adam et al., 2020) that organization innovation has affect on organization performance. To improve organization performance, no longer handiest desirable organization innovation but additionally different elements which include competitive intensity and organizational slack. It is glaring from the consequences of the H1c hypothesis test, namely that competitive intensity has a tremendous influence on organization performance mediated through organization innovation, acquiring a standardized path coefficient 0.203 and the use of *p*-values are small from 0.050, the *p*-values result is 0.034, which means that competitive intensity is circuitously affect organization performance mediated by using organization innovation. It was located inside the consequences of this take a look at that organization innovation can not be the established variable, but is a hit as a mediating variable. So competitive depth is one of the achievement elements to maximise organization performance, now not immediately by using innovating (Laksmana and Yang, 2015). Clearly, competitive intensity can count on the limitations of business enterprise income and marketplace segments in the same industry via innovating so one can keep away from loss and uncertainty factors (Marín-Idárraga and Cuartas-Marín, 2019). Through competitive intensity, innovation is the capacity to are searching for creative ideas a good way to improve and improve the employer. Innovation gives novelty to improve the satisfactory of performance.

## CONCLUSION

In the efforts carried out by the owners of fishery processing SMEs, especially for the Indonesian state in the coastal area of Jakarta, it is very necessary to develop strategic management in improving innovation capabilities so as to improve organization performance and have a significant competitive advantage so that companies can survive in the face of increasingly fierce business competition, especially the resilience of the fishery processing business during the covid 19 pandemic. It was found in the results of this study that organization innovation cannot be a dependent variable, but is successful as a mediating variable. So competitive intensity is one of the success factors to maximize organizational performance. In this case, there is a match between the results of statistical data from filling out questionnaires with direct re-interviews with fishery processing business owners.

**Limitations and Future Research.** Further researchers can conduct special research on organization innovation that affects organization performance in fishery processing businesses in different locations.

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