


BUSINESS RESILIENCE AND QUALITY OF LIFE OF TIMBER SMES DURING THE COVID-19 PANDEMIC IN BANDUNG REGENCY

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 31 July 2023</p> <p>Accepted 23 October 2023</p>	<p>Purpose: This knows the influence of business ethics, spiritual behavior, external support and information technology on business resilience and quality of life of logging SMEs during the Covid-19 pandemic in Badung District.</p>
<p>Keywords:</p> <p>Business Ethics; Spiritual Behavior; External Support; Information Technology; Business Resilience; Quality of Life.</p>	<p>Theoretical framework: The number of wood SMEs during the Covid-19 pandemic in Badung District shows the low business resilience of wood SMEs, which may affect their quality of life. small and medium-sized wood enterprises. Business ethics of small and medium enterprises in the wood industry based on local wisdom in rural areas, the importance of spiritual behavior, external support and the development of information technology are Important studies affecting business resilience and quality of life of small and medium-sized enterprises in the wood industry during the Covid-19 pandemic in Badung. Regent.</p> <p>Design/Methodology/Approach: This study is quantitative and uses structural equation modeling (SEM) analysis. The respondents of this study are 804 medium-sized industrial small and medium enterprises. And the location of this study is in Bandung Regency.</p>
	<p>Findings: This shows that, through experiments, it can be seen that the variable of business resilience has a significant influence, each increase in the value of business resilience will improve the quality of life of medium-sized enterprises. and small wood industry, both in terms of social and psychological support. and mental conditions. health, safety and income levels during the COVID-19 pandemic.</p> <p>Research, Practical & Social implications: This shows that, through experiments, it can be seen that the variable of business resilience has a significant influence, each increase in the value of business resilience will improve the quality of life of medium-sized enterprises. and small wood industry, both in terms of social and psychological support. and mental conditions. health, safety and income levels during the COVID-19 pandemic.</p> <p>Originality/Value: The performance of wood SMEs will gradually begin to improve thanks to various initiatives undertaken both operationally and commercially.</p> <p>Doi: https://doi.org/10.26668/businessreview/2023.v8i10.3802</p>

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RESILIÊNCIA EMPRESARIAL E QUALIDADE DE VIDA DAS PMES MADEIRAS DURANTE A PANDEMIA DE COVID-19 EM BANDUNG REGENCY

RESUMO

Objetivo: Conhece a influência da ética empresarial, do comportamento espiritual, do apoio externo e da tecnologia da informação na resiliência empresarial e na qualidade de vida das PME madeireiras durante a pandemia de Covid-19 no distrito de Badung.

Referencial teórico: O número de PME da madeira durante a pandemia de Covid-19 no distrito de Badung mostra a baixa resiliência empresarial das PME da madeira, o que pode afectar a sua qualidade de vida. pequenas e médias empresas madeireiras. A ética empresarial das pequenas e médias empresas da indústria madeireira baseada na sabedoria local nas áreas rurais, a importância do comportamento espiritual, o apoio externo e o desenvolvimento da tecnologia da informação são estudos importantes que afetam a resiliência empresarial e a qualidade de vida das pequenas e médias empresas na indústria madeireira durante a pandemia de Covid-19 em Badung. Regente.

Desenho/Metodologia/Abordagem: Este estudo é quantitativo e utiliza análise de modelagem de equações estruturais (SEM). Os respondentes deste estudo são 804 pequenas e médias empresas industriais de médio porte. E a localização deste estudo é na Regência de Bandung.

Constatações: Isto mostra que, através de experiências, pode-se constatar que a variável da resiliência empresarial tem uma influência significativa, cada aumento no valor da resiliência empresarial melhorará a qualidade de vida das médias empresas. e a pequena indústria madeireira, tanto em termos de apoio social como psicológico. e condições mentais. níveis de saúde, segurança e rendimento durante a pandemia da COVID-19.

Implicações de investigação, Práticas e Sociais: Isto mostra que, através de experiências, pode-se verificar que a variável da resiliência empresarial tem uma influência significativa, cada aumento no valor da resiliência empresarial melhorará a qualidade de vida das médias empresas. e a pequena indústria madeireira, tanto em termos de apoio social como psicológico. e condições mentais. níveis de saúde, segurança e rendimento durante a pandemia da COVID-19.

Originalidade/Valor: O desempenho das PME da madeira começará a melhorar gradualmente graças a diversas iniciativas empreendidas tanto a nível operacional como comercial.

Palavras-chave: Ética de Negócios, Comportamento Espiritual, Apoio Externo, Tecnologia da Informação, Resiliência Empresarial, Qualidade de Vida.

RESILIENCIA EMPRESARIAL Y CALIDAD DE VIDA DE LAS PYMES MADERERAS DURANTE LA PANDEMIA DE COVID-19 EN LA REGENCIA DE BANDUNG

RESUMEN

Propósito: Conoce la influencia de la ética empresarial, el comportamiento espiritual, el apoyo externo y la tecnología de la información en la resiliencia empresarial y la calidad de vida de las PYMES madereras durante la pandemia de Covid-19 en el distrito de Badung.

Marco teórico: El número de PYME madereras durante la pandemia de Covid-19 en el distrito de Badung muestra la baja resiliencia empresarial de las PYME madereras, lo que puede afectar su calidad de vida. Pequeñas y medianas empresas madereras. La ética empresarial de las pequeñas y medianas empresas de la industria maderera basada en la sabiduría local en las zonas rurales, la importancia del comportamiento espiritual, el apoyo externo y el desarrollo de la tecnología de la información son estudios importantes que afectan la resiliencia empresarial y la calidad de vida de las pequeñas y medianas empresas. en la industria maderera durante la pandemia de Covid-19 en Badung. Regente.

Diseño/Metodología/Enfoque: Este estudio es cuantitativo y utiliza análisis de modelado de ecuaciones estructurales (SEM). Los encuestados de este estudio son 804 pequeñas y medianas empresas industriales de tamaño mediano. Y la ubicación de este estudio está en Bandung Regency.

Hallazgos: Esto muestra que, a través de experimentos, se puede observar que la variable de resiliencia empresarial tiene una influencia significativa, cada aumento en el valor de la resiliencia empresarial mejorará la calidad de vida de las medianas empresas. y la pequeña industria maderera, tanto en términos de apoyo social como psicológico. y condiciones mentales. salud, seguridad y niveles de ingresos durante la pandemia de COVID-19.

Implicaciones de Investigación, Prácticas y Sociales: Esto muestra que, a través de experimentos, se puede ver que la variable de resiliencia empresarial tiene una influencia significativa, cada aumento en el valor de la resiliencia empresarial mejorará la calidad de vida de las medianas empresas. y la pequeña industria maderera, tanto en términos de apoyo social como psicológico. y condiciones mentales. salud, seguridad y niveles de ingresos durante la pandemia de COVID-19.

Originalidad/Valor: El desempeño de las PYME madereras comenzará a mejorar gradualmente gracias a diversas iniciativas empreendidas tanto a nivel operativo como comercial.

Palabras clave: Ética de Negocios, Comportamiento Espiritual, Apoyo Externo, Tecnologías de la información, Resiliencia Empresarial, Calidad de Vida.

INTRODUCTION

The Covid-19 pandemic has had a major impact on the sustainability of small and medium industry (IKM) businesses. As many as 96 percent of business actors claimed to have experienced the negative impact of Covid-19 on their business processes (as many as 163,713 micro, small and medium enterprises). As many as 75 percent of them experienced a significant decline in sales. 51 percent of business people believe that most likely the business will only last one month to three months. As many as 67 percent of business actors experience uncertainty in obtaining access to emergency funds, and 75 percent feel they do not understand how to make policies in times of crisis.(Soetjipto, 2020) Only 13 percent of business actors believe they have a crisis management plan and find solutions to sustain their business (BPS, 2020).

The problem faced by SMEs in the midst of the Covid-19 outbreak is the decline in consumer levels. SMIs have been hit hard with demand dropping by up to 90%. In addition to requiring production capital to survive, the availability of raw materials for SMEs to produce is also very decisive.(Boedirochminarni, 2020) The Ministry of Industry has submitted around 987 thousand affected SMEs to the Coordinating Ministry for Economic Affairs to get assistance through pre-employment cards.(Hasibuan & others, 2021) Various trainings aimed at medium industries are prepared so that they are able to improve their ability to manage their business. The Bali Provincial Government, through the National Economic Recovery Program (PEN), has prepared various programs and support for communities most affected by the pandemic through the Social Protection Program Association and Business Protection Program.(Aripin, 2021)

The large number of timber SMEs in Badung Regency shows that the wood handicraft industry is a superior product and supports tourism that has a strategic role for economic development in Badung Regency. The Badung Regent Government, through the Ministry of Industry and Manpower, with the aim of developing the marketing of IKM products, organized an educational seminar on how to use e-commerce and tips to become into a successful online entrepreneur as part of the launch of the Prodigy program. (IKM Go digital product). Regarding SMI wood, Badung District seeks to revive wood carving in an area that is the center of wood carving in Badung District. The sculpture is one of the works of art that has long developed in the Abiansemal region.(Widyastiti & Karmini, 2021) There are three villages where most of

their people are engaged in sculpture as their main livelihood, namely Jagapati, Angantaka, and Medium (JAS). Various shapes and types of wooden statues are produced in these three villages such as parents who are fishing, people who are scattering, people going to tajen, people want to megecel, grandmothers take care of babies and so on.(Wulan, 2021) Another wood industry sector that is developing in Badung Regency is the plywood carving industry, considering that it is an area that has a fairly abundant availability of raw materials and is able to absorb relatively many workers, especially workers in rural areas.(Murugan & Natarajan, 2022)

The highest number of timber SMIs until 2021 are in Mengwi District, while the least is in Kuta District. The number of timber SMEs in Badung Regency in 2017-2021 shows a downward trend in Abiansemal, Petang, Mengwi and Kuta Districts, while in North Kuta and South Kuta Districts shows an increasing trend. The decline in the number of timber SMIs certainly has an impact on the decline in the number of workers. Some of the phenomena that occur are related to timber SMIs in Badung Regency. Many people make their choice as sculptors because it is economically promising. The creativity of sculptors is growing and always trying to create a new work that is more unique and interesting to be sold to tourists. Competition between groups of artisans is increasingly unhealthy. Not infrequently the quality of the work becomes a bet to answer price competition. The quality of the work is declining, both material, form, and working techniques. Many sculptural works are similar, but not of the same quality. Price competition is inevitable, demand is very much declining, wood materials are very expensive and it is difficult to find them.

The number of small and medium-sized logging enterprises in Badung district has tended to decrease year by year since 2017-2021. The decline in the number of small and medium-sized enterprises in the wood industry and the number of employees shows the low resilience of small and medium-sized enterprises in the wood industry when more and more wooden handicraft products are easily appropriated. . and can be produced quickly in large quantities at lower prices. Many of them were forced to stop operating because they did not have enough income to support themselves due to reduced income. A decline in business resilience could have a negative impact on the quality of life of SMEs in the wood industry.

Community welfare in Badung Regency in 2018-2021 generally shows a downward trend. This can be seen from the declining literacy rate aged 15+, the labor force participation rate and open unemployment rate which has increased, the percentage of poor people has increased, the Gross Regional Domestic Product (GDP) and GDP per capita have decreased and the economic growth rate is negative. Increasing welfare is indicated by three indicators,

namely the number of people who have increased, higher life expectancy and an increasing Human Development Index (HDI).

The concept of business resilience in direct relation to capacity dynamics and a critical assessment of business resilience to the Covid-19 pandemic is important.(Hayat & Sadikin, 2023) This condition will help small and medium-sized enterprises in the wood industry implement many different policies aimed at improving quality of life. (Campos et al., 2020) mentioning several determinants of business resilience in a model, including business ethics, spiritual behavior, external support, and information technology. Some theoretical gaps were found from this study. There are significant individual differences in SWB (quality of life), as well as differences in average levels across cultures. Some crops produce higher levels of SWB than others (Khumas et al., 2019) Some experts believe that subjective measures of happiness need further research and refinement before being used in policy decisions.(Sadikin et al., 2023) National well-being indicators are a stronger determinant of quality of life (Moore & Diener, 2019). Shocks, economic impacts and bad memories from the pandemic have led to changes in respondents' perceptions of social capital and skewed reporting of business resilience (Torres et al., 2019). Gaps were found in the results of several previous studies. The research gap in this study is: IKM training and workshops do not guarantee better added value in business resilience efforts. The expansion of information networks and applications has been carried out by the Badung Regency government, but the ability to adopt IT by SMEs is still low. The quality of original works cannot be used as a determinant of price competition, because many similar sculpture works are carried out using technology so that originally with the material and shape reduces the quality of the original artwork. The large number of SMEs engaged in other fields of work is a gap determining business resilience and quality of life for business actors.

The phenomenon of the decline in the number of timber SMEs during the Covid-19 pandemic in Badung Regency shows the low business resilience of timber SMEs which can affect the quality of life of timber SMEs.(Sangiumvibool-Howell & Thocharat, 2023) Based on this phenomenon and the gap in theory and from several research results, the novelty in this study is a study based on local wisdom in rural areas on research variables, and the importance of spiritual behavior is an important study that affects business resilience and quality of life of Timber SMEs during the Covid-19 pandemic in Badung Regency.(Hidayat et al., 2023)

Business ethics has certain moral principles in business that are not written in detail but must be used as guidelines for every timber SMEs and the people involved. Starting from individuals who lead and are led, the company as a unit, to the community as the target of the

business itself. The existence of ethics in doing business, will create good and healthy relationships between leaders, employees, external parties, to consumers. Business ethics in the short term will encourage the company to be known by consumers / society with a positive assessment. (Matpootorn & Suvittawat, 2023) When consumer or public perception is positive, it will improve the company's image. Business ethics in the long run will strengthen the business resilience of the business and can be passed on to the next generation. It takes hard efforts for timber SMEs to realize this long-term goal, one of which is maintaining good relations and maintaining relationships to remain durable and survive the temptation and offer of fraudulent methods. Spiritual behavior in this case becomes the foundation not only for timber SMEs but also all personnel in their business. Spiritual behavior is an important aspect for timber SMEs to be able to compete in today's.

Spiritual behavior can make employees more effective at work, because employees who see their work as to improve spirituality will show greater effort than employees who see their work only as a tool to earn money, through spirituality can bring positive ethical influences so as to create effectiveness and efficiency for timber SMEs so as to increase business competitiveness which has an impact on strengthening resilience business. External support, especially during the Covid-19 pandemic crisis, is one of the important factors to support timber SMEs to rise from existing situations and conditions. Various forms of support come from external companies both from local governments, raw material suppliers, business communities, social support, and relationships with financial institutions. This is a form of external care for the company. Development and assistance for timber SMEs during the Covid-19 pandemic need to be the attention of many sectors, especially government institutions. Risk reduction is demonstrated through policies or objectives, and government strategic and instrumental measures used to anticipate future Covid-19 pandemic risks, reduce existing exposures, hazards or vulnerabilities, and increase business resilience.

The use of information technology by timber SMEs can improve the company's operational efficiency, especially during the Covid-19 pandemic crisis. Information technology allows every employee to use any device to work, and in any location without having to be in the company. This capability must be owned by the company, considering that this uncertainty still continues post-pandemic. Timber SMEs must continue to ensure that every business process can be carried out effectively wherever employees work. Relying on information technology to build business resilience in the midst of this uncertainty is the right way to

improve the company's ability to plan and analyze scenarios to build strong and reliable business resilience.

Timber SMEs who always prioritize moral aspects in making business decisions, believe that business benefits will be optimal for many parties. Ethical business from various points of view will create a better quality of life according to human dignity. The implementation of business ethics from an economic point of view will generate profits without having a negative impact or loss to other parties. Business ethics from a legal point of view, always provide guidance not to violate applicable legal rules and especially from a moral point of view, an ethical business is a business that conforms to moral measures. Business dynamics that intersect with many parties require commitment to ensure that the activities carried out do not have a negative impact on all business partners or other parties affected. This commitment is essentially a foundation based on moral principles. It is certain that business practices without regard to ethics will lead to disaster sooner or later. In this situation, the application of business ethics will ensure that timber SMEs can walk safely. This ethical business practice fosters harmonious relationships with interested parties such as customers, governments, owners, creditors, workers and communities or communities.

In addition, a harmonious relationship will generate positive energy for the progress of the company and improve the quality of life of the timber SMEs themselves. Spiritually based wood SMEs show their behavior in working, doing business or organizing is self-actualization that comes from internal motivation, namely awareness and responsibility in work arising from the belief that achievements are part of quality worship, which should not be contaminated by negative values. Timber SMEs in running a business by applying spiritual behavior have a strong foundation and principles. Measures and indicators of success also no longer set on tangible and intangible values, but have seen indicators based on the principles of confidence, morals and trust that can be felt when being and interacting in the work environment. Timber SMEs believe that the values of goodness, truth, justice and morality shown in business conduct will also return to them in a larger form. Business places and spaces that were once only filled by profit (profit center), then turned as a space to grow together (social-sharing center) with justice and welfare for themselves, for employees, and the community so as to improve the quality of life. The challenges faced by the government as a policymaker during the Covid-19 pandemic crisis are increasing in an effort to improve the quality of life of the community, especially for SMEs. However, the scale of the crisis can be minimized and dealt with effectively if the government is able to take its part in the situation.

They must be able to learn from their operational environment, integrate the experience gained, and adapt it in the face of an outbreak. Transparency, participation and accountability in the inter-relations of various parties both government, society and the business world will greatly determine what the quality and success of an outbreak handling activity is. Weak coordination across sectors, across regions both in government and various institutions from the central level to the regional level can be an obstacle. This condition demands a more flexible and targeted government role in overcoming the outbreak so as to reduce the toughest risks for SMEs. Information technology is something that is now needed by humans. Information technology can now be said to always coexist with human life. The development of information technology is very influential on the quality of life of timber SMEs. Information technology can make wood SMEs efficient use of time, practical and facilitate their work activities in doing business so as to increase income through online business. However, with all the conveniences offered by information technology, wooden SMEs must be more creative and care more about the social environment. Business resilience is a dynamic adaptive process that allows SMEs in the wood industry to continue looking towards the future despite challenging market conditions due to the impact of the Covid-19 pandemic and the various changes in conditions that they regularly face in the market. Resilient SMEs in the wood industry embrace change and instead of resisting change, they work hard to achieve their goals, manage challenges and take risks. The resilience of businesses in an interdependent system has an impact on the smooth functioning of the lives of SMEs in the wood industry and has an impact on improving the quality of life of individuals.

Business resilience, which plays a mediating role in business ethics, is the driving force that helps SMEs in the wood industry move in a better direction or commonly known as success and improve the quality of life. personal life. Economic actors often face difficult conditions in their development process. Both issues related to the management of internal resources of the company and the community. To solve such difficult problems, a principle is needed that can help economic actors behave. Therefore ethics in business is very important. Business ethics is the knowledge of ideal business administration and management processes, with attention to commonly applied standards and ethics. These are unwritten rules on how to conduct business fairly, in accordance with applicable laws, and regardless of an individual's or organization's position in society. Business ethics practiced by economic entities can form values, norms and behaviors to create an atmosphere of fair and healthy relations with both employees and economic entities. others and with consumers. Business ethics will indirectly

encourage a responsible attitude in running a business so that all business activities can run smoothly. Business ethics as ethics can guide the behavior of small and medium-sized enterprises in the wood industry to better manage their business and life, can encourage important decisions and reasonable based on their own opinions and can lead to development in an orderly, orderly, peaceful direction. and society prospers by adhering to prevailing norms that establish social order and welfare.

Spiritual behavior is an important aspect for timber SMEs to be able to compete in today's times. The existence of business resilience, spiritual behavior can make timber SMEs more effective in running a business, because business actors who see their work as a tool to improve spirituality will show greater effort than business actors who see their work only as a tool to earn money. Spiritual behavior through business resilience exerts a positive ethical influence so that creating effectiveness and efficiency in the organization will increase the confidence of timber SMEs, that the values of goodness, truth, justice and morality shown in business behavior will also return to them in a greater form, namely improving the quality of life. Business resilience is supported by local government work programs through the Department of Industry and Manpower that facilitate business, direct assistance (fresh money), policies that facilitate business activities, and expand market access will improve the quality of life of timber SMEs.

Raw material suppliers play a role in supplying raw materials needed by wood SMEs to be processed into wood handicraft products during the pandemic. The business community acts as a place to exchange information in adding insight, the role of the business community in expanding networks, and the role of the business community as a place to strengthen each other in business activities. Social support is shown by family support so that timber SMEs continue to run the business, high moral assistance from friends to overcome pressures in life, and solutions from business partners in overcoming difficulties in running a business. The role of banking institutions in providing loans or service assistance can help timber SMEs during the Covid-19 pandemic, namely in terms of ease of obtaining credit, financing assistance with low interest rates, and providing consulting services can help business development. Business resilience that adopts information technology plays a role in improving the quality of life of timber SMEs.

The determining indicators are that information technology facilitates marketing activities through social media so as to increase sales volume, reduce promotional costs, expand market share, and expand networks. Information technology is able to build business

communication so as to facilitate long-distance communication, the use of social media to introduce product identity, and be able to build communication relationships with consumers during the Covid-19 pandemic. Automation of the process of using technology is fully able to speed up the production process, and the use of technology can reduce labor dependence. Information technology ensures the security of important information in e-Commerce and is able to maintain consumer privacy during payment transactions.

Information technology maintains the availability of information or data needed by timber SMEs as important information during the Covid-19 pandemic. The resilience of businesses that adopt information technology is very helpful for timber SMEs to run their businesses. Information technology brings various conveniences in running a business and companies in general. Work can be completed quickly, not to mention handling buyers can be done more easily. Products owned can also be marketed online to a wider segmentation, so that the number of buyers is increasing.

LITERATURE REVIEW AND HEPOTHESES

According to Pernambuco et al. (2012) defines quality of life as a person's perception in the context of culture and norms that are in accordance with the place of life of a person and related to goals, expectations, standards and concerns during his life. The quality of life of one individual to another will be different, it depends on each individual's definition or interpretation of a good quality of life. The quality of life will be very low if aspects of the quality of life itself are still not met. The quality of life of business actors in this study is an assessment of the position of timber SMEs in Badung Regency in life in the context of culture and value systems where business actors live related to individual goals, expectations, and standards regarding their welfare that describe the achievement of an ideal life or as expected. Based on research studies by Bubolz (1980), Cummins (1997), Ingersoll and Bauer (2004), Diener (2006) and studies from BKKBN (2017) the quality of life in this study is measured from nine indicators, namely: (1) cost of living, (2) income, (3) environmental conditions, (4) optimistic attitude, and (5) negative response.

Indonesia, dominated by the existence of small and medium-sized enterprises as the backbone of the national economy, has been severely affected not only in terms of total output and trade value but also in terms of number of workers have lost their jobs because of this pandemic. . The concept of business resilience is directly related to a company's capacity and resilience to respond to the Covid-19 pandemic. This condition will help small and medium

enterprises implement many different policies aimed at improving the quality of life of economic actors.

Business ethics, sometimes called management ethics, is the application of moral standards into business activities. Business ethics is a set of values about good, bad, right and wrong in the business world based on the principles of morality. In another sense, business ethics means a set of principles and norms to which business people must commit to transacting, behaving, and relating to achieve their business goals (Davison, 2007). Simply put, studying ethics in business means learning about what is good or bad, right or wrong in the business world based on the principles of morality. Business ethics can mean thoughts or reflections on morality in economics and business. Business ethics in this study is a guideline for timber SMEs in Bandung Regency in doing business on procedures for regulating and managing business due to the impact of the Covid-19 pandemic by paying attention to norms and / or morality in working so as to produce products to meet the needs of the community and obtain profits through transactions. The indicators of business ethics adapted from the opinions of Keraf (1998), Muslich (2004) and Yasa are measured by five indicators, namely: (1) the principle of autonomy, (2) the principle of honesty, (3) the principle of justice, (4) the principle of mutual benefit, and (5) the principle of moral integrity.

Based on deontological theory, building business resilience then in business ethics if the obligation imposed on someone then the person concerned deserves to do it, especially if he does not want to disappoint the consumer (Orend, 2000; Kelly, 2006). Business actors who provide the best service to all consumers, offer goods and services with quality that is comparable to the price, consumers will get satisfaction when they relate to a product. The results of research by Davison (2007), Moss (2021), and Huang et al. (2022) prove that business ethics have a positive effect on business resilience. Virtue ethics shapes employees into moral persons. The virtue referred to in this theory refers to the attitude that a person displays. This attitude will create good character and character in the point of view of morality. This theory focuses more on humans as moral doers. The theory of virtue by Aristotle (Keraf, 1998) looks at the way people behave, such as good or not, friendly or not, honest or not, and so on. Virtue in this theory is defined as the character that a person acquires that allows him to be morally good so as to affect the quality of his life. The research findings of James Jr. (2016), Bernstein & Falcione (2014) and Sergio et al. (2015) prove that business ethics have a positive effect on the quality of life of business actors.

Spiritual behavior in the workplace is one of the potential components in shaping employees' sense of attachment and community to the organization (Karakas, 2010). The degree of internalization of spiritual needs drives one to seek meaning about the work one does, why and for what the individual does the work (Krishnakumar & Neck, 2002). The spiritual behavior in this study is the interaction of timber SMEs in Badung Regency with their work environment in the form of knowledge, attitudes and actions by expressing self-desire to seek meaning and purpose in work life so as to try to make a positive contribution to the company. Indicators of spiritual behavior based on the opinions of Milliman et al. (2003) and Gupta & Saini (2014) are measured by five indicators, namely: (1) meaningful work, (2) sense of community, and (3) search for purpose and meaning.

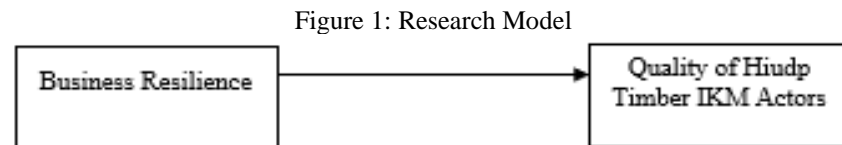
This study uses an organizational behavior model where spiritual behavior includes input variables at the individual, group and organizational levels that produce outputs, namely employee performance (Robbins and Judge, 2015) The combination of effectiveness and efficiency in performing key tasks is a reflection of the level of employee task performance. In real terms, the performance of employee duties is the most important human resource output in its contribution to the resilience of the IKM business. The research findings of Seaward (2001), Mahakul (2014), and Nicolaides (2018) prove that spiritual behavior has a positive effect on business resilience. Based on the opinion of Baron & Byrne (2014) referring to social cognitive theory, it can be described that spiritual behavior is included in personal factors as a determinant that affects the quality of life of IKM actors. Research findings of Zamor (2003), Gull & Doh (2004), and Chinomona (2017) prove that spiritual behavior has a positive effect on the quality of life of business actors.

Regarding external support, Razak et al. (2016) mentioned that there are several weaknesses in the policy and implementation of handling outbreaks as a business risk reduction plan, namely the lack of support from external organizations. Lack of coordination between agencies and between government departments hinders rapid response in times of emergency. In all situations, the role of each institution should be clearly defined. In this study, external support is support from various institutions or organizations as a form of participation of all stakeholders for the business continuity of SMEs affected by the Covid-19 pandemic. External support based on research studies by Razak et al. (2016), Anwaruddin (2017) and Rasyid (2022) is measured from five indicators, namely: (1) the role of local governments, (2) the role of raw material suppliers, (3) business communities, (4) social support, and (5) relationships with financial institutions.

The lack of external support has the potential to be an obstacle to resilience, especially for SMEs. This greatly increases the vulnerability of supply chains during crises. The analysis emphasizes several factors that contribute to the shrinking supply and relational network of SMI customers, as shown by owners/managers, such as low supplier consolidation, lack of high-quality alternative suppliers, limited customer base due to low prices and competition (Fassoulsa, 2006). Campos (2016), Pramesti (2019) and Islami et al. (2021) in their research prove that external support has a positive effect on business resilience. The influence of external support on the quality of life of SMEs can be seen from the view of social support theory (Baron & Byrne, 2014). Social support is a comfort, attention, appreciation, or assistance felt by business actors from external support during a pandemic, such as customers, disaster experts, NGOs, local communities, other businesses, suppliers, and financial institutions. The support of people, groups or institutions that will help the sustainability of the IKM business because it is affected by Covid-19 can increase positive feelings and increase self-esteem. This condition or psychological state can affect the responses and behavior of business actors so that it affects the quality of life. Fassoulsa (2006), Pernambuco et al. (2012) and Islami et al. (2021) in their research proved that external support has a positive effect on the quality of life of business actors.

HYPOTHESIS

In Figure 1, the previous research model explains that external support does not affect the quality of life of SMEs in Badung District due to the impact of Covid-19. Business resilience plays a mediating role in the impact of business ethics, spiritual behavior, external support and information technology on the quality of life of SMEs in Badung District due to impact of Covid-19. Rapid adaptation and exploitation of opportunities is essential to address changes in consumer behavior and preferences among SMEs in the wood industry post-pandemic, with the aim of strengthening business resilience and improved quality of life. The performance of wood SMEs will gradually begin to improve thanks to various initiatives undertaken both operationally and commercially. Technology-driven wood SMIs will focus on innovation both operationally and commercially to deliver solutions to partners and customers. The pandemic poses serious challenges to IKM wood business, but it will bring opportunities if wood SMEs commit to providing the best service by adapting to market conditions. school.



Source: Prepared by the authors

H1: business resilience and has a positive impact on the quality of life of SMEs during COVID 19

H0: business resilience And does not have a positive impact on the quality of life of SMEs during COVID 19

RESEARCH METHODOLOGY

This research analysis method uses a quantitative method approach where the analysis used is descriptive statistics and hypothesis testing with partial least squares (PLS). The variables involved in this study are Business Resilience, Quality of Life of Timber SMEs as endogenous variables and Timber SMIs as exogenous variables. The analysis tool uses Structural Equation Modeling-Partial Least Square, and the sampling technique uses random sampling. Data using primary data on the number of respondents was 804 timber SMEs. The data collection method uses indirect communication tools that use questionnaires and documentation, while the collection technique uses questionnaires and documentation.

This research is important because since Covid 19, many timber SMEs have decreased, this affects the quality of life and business resilience of SMEs. Business resilience is a dynamic adaptive process that allows business owners to continue looking into the future despite the challenging and changing market conditions they continually face in the marketplace. Resilient entrepreneurs embrace change and instead of resisting change, they work hard to achieve goals and manage challenges, take risks, and have a high tolerance for ambiguity. (Fatoki, 2019). Business resilience in dependent and interdependent systems impacts the smooth functioning of human life and has an impact on improving the quality of life of individuals. (Dircke, 2019). (Zu Ermgassen et al., 2020), (Ofunoye, 2017), (Fatoki, 2018), (Vargas-Vargas & Cortés-Rojo, 2020)), and (Satarupa, 2020) in their research demonstrate that business resilience has a positive impact on the quality of life of economic actors.

Table 1: Outer Loading, Composite Reliability dan Average Variance Extracted

Variable	Measurement Items	Indicator	Outer Loading	Composite Reliability	AVE
Business Resilience	KB1	Revenue and Profit	0,745	0,880	0,595
	KB2	Adaptability	0,774		
	KB3	Cooperation and Partnership	0,874		
Quality of Life of Timber SMEs	KH1	Health and Safety	0,791	0,886	0,661
	KH2	Psychological State and Mental Well-being	0,852		
	KH3	Social Support	0,823		

Source: Prepared by the authors

The Business Resilience variable is measured by 3 (Three) valid items where the outer loading value is located between 0.745 – 0.798 which shows that the three measurement items are strongly correlated in explaining the Quality of Life of Timber SMEs. The variable reliability level of the Business Resilience Model can be accepted with a composite reliability value of 0.880 above 0.70 and convergent validity shown by AVE 0.595 > 0.50. Among the two valid measurement items, the Business Resilience Model looks stronger as reflected by KB1 (LF=0.745) which is Revenue and Profit, KB2 (LF=0.774) which is Adaptability and KB3 (LF=0.874) which is the Ability to establish Cooperation and partnership. The Quality of Life Variable of Timber SMEs is measured by 3 (Three) valid items where the outer loading value is located between 0.745 – 0.798 which shows that the two measurement items are strongly correlated. The level of reliability of the variable Quality of Life of Timber SMEs can be accepted with a composite reliability value of 0.905 above 0.70 and convergent validity shown by AVE 0.657 > 0.50. Among the three valid measurement items, the Quality of Life of Timber SMEs looks stronger, reflected by KH1 (LF=0.791), namely Health and Safety, KH2 (LF=0.852), namely Psychological Conditions and Mental Well-being, and KH3 (LF=0.823), namely Social Support .

FINDING AND DISCUSSION

Partial Least Square

This analysis is a multivariate statistical analysis that estimates the influence between variables simultaneously with the aim of predictive studies, exploration or structural model development, (Hair, Sarstedt, et al., 2019). Model evaluation in PLS consists of evaluation of measurement models, evaluation of structural models and evaluation of model goodness and fit.

Measurement Model Evaluation

The measurement model in this study consists of reflective and formative measurement models where the Business Resilience Model variable is measured reflectively and the Quality of Life of Timber SMEs is measured formatively. In (Hair Jr et al., 2021), the evaluation of the reflective measurement model including factor loadings ≥ 0.70 , composite reliability ≥ 0.70 -- Cronbach's alpha ---- and average variance extracted ($AVE \geq 0.50$) and assess discriminant validity, specifically Fornell and Lacker criteria and HTMT (Heterosexual Trait Single Ratio) less than 0.90 ----cross-loading---. Evaluation of the formative measurement models revealed the importance of external weights and the absence of multicollinearity between measurement factors seen from an external VIF less than 5.

Table 2: Initial Outer Loading

Variable	Item	Loading Factor	Information
Business Resilience	KB1	0.791	Valid
	KB2	0.727	Valid
	KB3	0.828	Valid
Quality of Life of Timber SMEs	KH1	0.875	Valid
	KH2	0.924	Valid
	KH3	0.870	Valid

Source: Prepared by the authors

Based on the Outer Loading Table above, all items are included in the valid category, this can be seen from the Loading Factor value which is greater than 0.70. Therefore no items should be eliminated and the analysis can proceed.

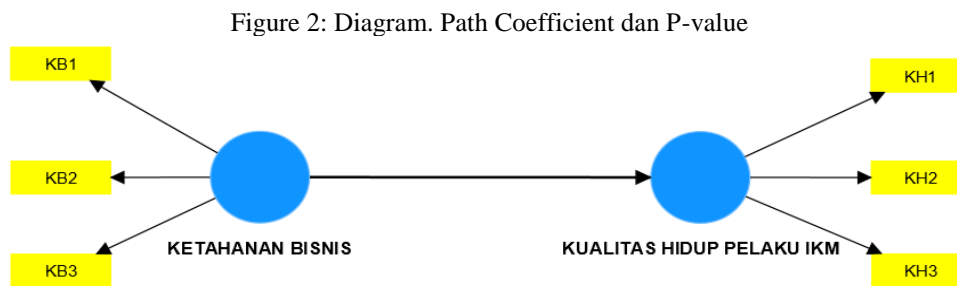
Table 3: Pengujian Hipotesis

Hypothesis	Path Coefficient	p-value	95% Confidence Interval Lower Limit	95% Confidence Interval Upper Limit	Path Coefficient	f square
Business Resilience --> Quality of Life for Timber SMEs	0.365	0.000	0.168	0.547		0,209

Source: Prepared by the authors

Based on the results of the above hypothesis testing, it is known as follows: Hypothesis (H) **is accepted**, namely there is a significant influence of the Business Resilience Model with path coefficient (0.365) and p-value ($0.000 < 0.05$). Any changes to the Business Resilience Model will improve Student Learning Outcomes. In the 95% confidence interval, the influence of the Business Resilience Model in improving the Quality of Life of Timber SMEs lies between 0.168 to 0.547. However, the existence of the Business Resilience Model in improving the Quality of Life of Timber SMEs has a moderate influence at the structural level (f square =

0.209). The need for an intense Business Resilience Model means that the Quality of Life of Timber SMEs will increase to 0.547.



Source: Prepared by the authors

Business Resilience Model and the Use of Information Technology have a direct influence on Student Learning Outcomes. These results show that any changes to the Business Resilience Model and the Use of Information Technology will more strongly improve Student Learning Outcomes.

Model Goodness and Fit Evaluation

PLS is a variance-based SEM analysis with the aim of testing model theory that focuses on prediction studies. Therefore, several measures were developed to declare the proposed model acceptable such as R square, Q square, SRMR, PLS predict, (Hair, Risher, et al., 2019) and Goodness of Fit Index (GoF Index), Sarstedt and (Henseler, 2020) after checking the robustness of the model with a linear test of the relationship between variables, (Hair Jr et al., 2021)(Henseler, 2020), (Sarstedt & Cheah, 2019), endogeneity and heterogeneity of sample model with Fimix PLS, (Hair, Sarstedt, et al., 2019)

Table 4: R square

	R Square	Q square
Student Learning Outcomes	0,454	0,424

Source: Prepared by the authors

The statistical size of the R square describes the magnitude of variation in endogenous variables that can be explained by other exogenous variables in the model. According to (Chin et al., 2020) the qualitative value of R square interpretation is 0.19 (low influence), 0.33 (moderate influence), and 0.66 (high influence). Based on the results of the processing above, it can be said that the magnitude of the influence of Business Resilience is 45.4% (moderate influence). Q square describes a measure of prediction accuracy, namely how well each change

in exogenous / endogenous variables is able to predict endogenous variables. This measure is a form of validity in PLS to express the predictive relevance of the model. The q^2 value above 0 states that the model has *predictive relevance*, but in ((Shiau et al., 2019) qualitative value of Q^2 interpretation is 0 (low influence), 0.25 (moderate influence), and 0.50 (high influence). Based on the results of the above processing, the value of the Q^2 variable Quality of Life of Timber SMEs is $0.454 > 0.50$ (Moderate prediction accuracy).

DISCUSSION

Based on the results of research and discussions that have been carried out, there are several findings or novelty as a result of this research. First finding: The relevance of the latest from this study is the study of local wisdom-based timber SMEs in rural areas and the importance of spiritual behaviors that affect business resilience and quality of life of timber SMEs during the Covid-19 pandemic in Badung Regency. Spiritual behavior directly and indirectly has a significant effect on the variable quality of life of timber SMEs through business resilience variables. The higher the spiritual behavior mediated by business resilience, the better the quality of life of timber SMEs in Badung Regency due to the impact of Covid-19.

Second finding: This study recommends additional spiritual elements and the application of quality of life to timber SMEs in rural areas as a study of the perceived weaknesses of the application of research theory (Vishkin et al., 2023) (Heintzelman et al., 2020) about the quality of life of IKM actors who have no spiritual element with research subjects of rich people, international students and slum dwellers. Spiritual behavior can bring positive ethical influences so as to create effectiveness and efficiency for timber SMEs and their employees so as to increase business competitiveness so as to have an impact on strengthening business resilience and improving the quality of life.

Third finding: This study recommends additional indicators of spiritual elements in the variable quality of life of IKM actors, namely gratitude. Research (Vishkin et al., 2023) (Heintzelman et al., 2020) (Heintzelman et al., 2020) uses several measuring instruments, namely positive affect, negative affect, happiness, life satisfaction. It is further developed into joy, excitement, satisfaction, pride, affection, happiness, and ecstasy. Diener's research suggests that quality of life indicators need to be added before they are used in decision-making and policy. This study uses quality of life indicators referring to BKKBN (National Population and Family Planning Agency) (2017), including: cost of living, income, environmental conditions, optimistic attitude, negative response, and gratitude. Gratitude is an expression of gratitude

from timber SMEs for what they have obtained during their business during the Covid-19 pandemic which is shown by income saved in the form of money or goods, increased religious knowledge, and voluntarily making material donations.

Fourth finding: Answering the results of Diener's research which discusses the application of different cultures from each country that shows there is a difference between good culture and bad culture with diverse types of populations, namely the rich, international students and slum dwellers. The results of the study will of course be biased because not necessarily in a poor country with a culture that is considered bad, the quality of life is lower than a developed country with a good culture. This study used the same type of population, namely timber SMEs and in one area in Badung Regency which showed cultural similarities.

Based on the research results and discussions described above, it can be concluded that business ethics, spiritual behavior, external support and information technology have a positive impact on resilience. Business recovery of small and medium enterprises in Badung district due to the impact of Covid-19. Business ethics, spiritual behavior, information technology and business resilience have a positive impact on the quality of life of SMEs in Badung District due to the impact of Covid-19, in when external support does not affect the quality of life of small and medium-sized enterprises in Badung District due to the impact of Covid-19. Business resilience plays a mediating role in the impact of business ethics, spiritual behavior, external support and information technology on the quality of life of SMEs in Badung District due to Covid impact.

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Based on the above testing, it can be seen that the Business Resilience Variable and has a significant influence, every increase in the value of business resilience will improve the Quality of Life of Timber SMEs both in terms of Social Support, psychological conditions and mental health, health and safety and income levels during the COVID-19 pandemic.

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