



The Effect of Risk Management on the Role of Manager and Their Implications on Performance

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Article Info	Abstract
Article History Received: 2022-11-22 Revised: 2022-12-20 Published: 2023-01-04	<p>The current problem is that performance is still far from expectations, while the role of managers has not been encouraging, this is presumably because digital mastery in the business environment is still a concern. This study aims to determine the effect of risk management on the role of managers and their implications for performance, a case study on the West Java Chamber of Commerce and Industry fostered in Bandung. The research method applied is in the form of a descriptive analytical survey method, while the sample used is 50 respondents. The variables studied from each respondent are risk management, the role of managers, and performance. The type of data collected is primary data. The results showed that risk management had no and no significant effect on the manager's role, the manager's role had no effect and was significant on performance, risk management had no and no significant effect on performance. The implication is that risk management needs to be applied programmatically and massively. The object of this research is the sample of respondents used is still limited to the business assisted by the West Java Chamber of Commerce in Bandung, therefore further research needs to be carried out based on more varied sampling with a longer duration, so that generalizable results are obtained.</p>
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Kata kunci: <i>Manajemen risiko;</i> <i>Manajer Kinerja;</i> <i>Kinerja.</i>	

I. INTRODUCTION

The COVID-19 pandemic has had a major impact on the continuity of the fostered businesses in West Java. The economic crisis experienced by companies has also become a major threat to the national economy, considering that companies are the driving force of the domestic economy and the largest absorber of labor in recent decades. "The fostered businesses, which support national production, are facing shocks from the supply and demand sides, this can have implications for the decline in people's welfare. The LIPI Economic Research Center has conducted a Rapid Assessment Survey on the Impact of the

COVID-19 Pandemic on the Performance of Fostered Businesses in Indonesia. This survey aims to diagnose the impact of the pandemic on the survival of MSMEs and identify strategies for restoring the performance of the fostered businesses.

The challenge in facing this pandemic is the uncertainty and trade-off between health and economic issues. The complexity of the problem is how to save the affected Fostered Enterprises and prepare for economic recovery. The Rapid Assessment Survey on the Impact of the COVID-19 Pandemic on the Performance of Indonesian Fostered Businesses was conducted online from 1 - 20 May 2020, and involved 679 valid

respondents with the main livelihood as business actors. This survey captures respondents from micro business actors 54.98%, ultra-micro actors 33.02%, small business actors 8.1% and medium business actors 3.89%; with a length of business 0-5 years (55.2%), 6-10 years (24%) and more than 10 years (20.8%). Most of the businesses aged 0-5 years are in the ultra-micro scale (58.36%) and micro scale (58.33%). In addition, there are variations in sales methods carried out by business actors, namely door-to-door 41%, physical stores 34%, through agents/resellers 32%, through market places 15%, and online sales through social media 54%. Survey data shows that during the pandemic, 94.69% of businesses experienced a decline in sales. Based on business scale, sales decreased by more than 75% experienced by 49.01% ultra-micro businesses, 43.3% micro businesses, 40% small businesses, and 45.83% medium businesses. Based on the length of business, sales decreased by more than 75% experienced by 23.27% of businesses aged 0-5 years, 10.9% of businesses aged 6-10 years and 8.84% of businesses that have been running for more than 10 years. Based on the sales method, a sales decline of more than 75% was experienced by 47.44% of offline/physical sales businesses, 40.17% of online sales businesses, and 39.41% of businesses using offline as well as online sales methods.

The COVID-19 pandemic has caused operating profits to decrease significantly as production costs remain fixed or even increase while sales decline. Business costs that have increased during the pandemic are raw materials, transportation, labor, and other costs. The survey also collects the perception of business actors regarding the vulnerability of the Fostered Businesses to close their businesses if the pandemic does not end soon. A total of 47.13% of businesses were only able to survive until August 2020, 72.02% of businesses will close after November 2020, and 85.42% of businesses can survive the longest in the span of one year since the pandemic. There are several strategic preferences carried out by the Fostered Enterprises, including seeking new markets, seeking cheaper raw material suppliers, reducing labor, and requesting payment delays, the survey recommends priority mitigation measures not to be short or medium. For short-term priority mitigation measures that can be taken by the company, namely creating stimulus on the demand side, and encouraging online platforms to expand partnerships with companies. Local

governments are also expected to strengthen local chain components, improve the quality and competitiveness of company products through collaboration with research institutions, provide raw material import facilities, as well as cheap credit for companies. strategic goods, market intelligent for potential new export markets, strengthening the synergy of Banks and Non-Bank Financial Institutions (LKBB) in corporate financing, providing trading house and logistics facilitation, increasing the accuracy of company data, as well as developing digital-based company clinics, because balance will not be able to back naturally, strong and measurable government intervention is the right step to restore the economy.

The impact of the company's slump in performance, new problems arise regarding human resources (HR) and the role of managers, the problems include various roles of managers in managing the company, in addition to other problems such as limited financial competence, access to banking, to tax awareness, as well as company limitations in controlling the company. digital, both digital marketing and digital financial report preparation. The solution is for the company to obtain managerial certification, online and offline assistance, and endorse the company's products in the e-catalogue. Government attention is needed to provide formal, non-formal and informal corporate study assistance to major world universities such as Harvard, Stanford, and MIT. As a spectacular example is shown by the Chinese government, according to (Kardono; 2001), China has sent thousands of students to study an open economic system and Western government policies at Harvard, even though China is still implementing a relatively closed economic system, so that China currently has a trade network. very steady with America, even getting status as The Most Preferred Trading Partner, even the Chinese government also persuaded overseas Chinese scholars and professionals, especially those who are currently and have worked in research centers and MNCs in technology all over the world to want to go home hometown and opened a new company in China. Former experts from Silicon Valley and IBM, for example, will later be expected to facilitate the opening of business networks with other ex-employer MNCs spread throughout the world. Of course, the persuasion was carried out with the lure of convenience and facilities to start a business, such as tax incentives, ease of licensing, and capital injections. This lesson from

the greatness of the Chinese government will spur the role of managers of fostered businesses in West Java, through the West Java government's policies in advancing fostered businesses, to encourage cross-sectoral collaboration in West Java, so as to create an entrepreneurial culture that stimulates the emergence of a million new startups in West Java, boosting public awareness to be passionate about becoming a new Startup.

Indeed, character building must be formed in the university environment, in order to produce fostered business students who have managerial competence, so that they can play a role in managing the success of the fostered businesses in West Java, through research and community service (PKM Clusters), which grants from the government are not complicated by There are many procedures that are not populist, and the main campus is conducting research on products, the implications of which can be carried out easily by Fostered Enterprises, so that pentahelix, especially the government, can provide funding and assistance grants in a measurable and massive manner in various marketplace communities. There is campus support for HR issues and the role of fostered business managers, by formulating a technopreneurship-based description, by creating superior human resources with a nationalist spirit by invigorating the export spirit of semi-finished and finished products, and eroding the idea of exporting raw materials that does not educate and harms acceptance. the state, thereby providing a multiplier effect for the community in the form of entrepreneurial competence, self-empowerment, family, and community, poverty alleviation, increasing PAD (Regional Original Income), along with significant social contributions to the community.

The Management of the Fostered Business often does not anticipate any risks, whether operational risks such as a sudden problem in production machines or cooking equipment for the Culinary Fostered Business, or the risk of marketing suddenly empty of visitors, or financial risks, for example suddenly credit installments are used for expenses. education, or purchasing risk, for example, suddenly the supply at the supplier is empty, resulting in weak managerial or the manager's role becomes ineffective, which is certainly dangerous for profit collection, liquidity reserves, smooth debt repayment obligations, slow asset turnover, according to (Fankar Umran; CEO BRINS), said the unexpected risk could befall MSMEs or large

businesses. If there is no protection, it will cost a lot of money to start the business again. According to him, "For example, a meatball vendor has a cart that costs Rp. 5,000,000 to Rp. 10,000,000 which is used daily to earn a living, when there is a risk, they do not necessarily have funds of Rp. 10,000,000. replace, even though we can protect it by very cheap insurance, in addition to assets, insurance can also protect small and medium-sized entrepreneurs in the event of a disaster or accident., buying and selling transactions can also be protected by insurance, when buying and selling transactions or buying and selling transactions are offset with the existence of, say, financing there, the financing can be bailed out and can be protected by insurance if for example a business actor has sent goods and is not paid, then the insurance can pay compensation". Furthermore, Fankar explained, there are three pillars of MSME development, namely assistance so that they can develop, then business development, and protection. In his view, the development of MSMEs also has risks, especially external development. There are 5 (five) million MSMEs who come to moneylenders to do business, because they need fast funds, this can actually be done by disaster insurance.

According to Fankar again, data from the BRI Research Institute and the Ministry of Cooperatives and Small and Medium Enterprises, there are currently 71.4 million MSME players spread throughout Indonesia in 2021. This figure is divided into 66.9 million micro enterprises, as many as 4.2 million small businesses, and 364 thousand medium-sized businesses. However, from this data, only 17% of MSMEs have micro insurance. Therefore, SMEs should emphasize the importance of having protection. moreover, Indonesia is a country that is often hit by disasters. In 2021, there will be a total of 5,400 disasters or 15 disasters every day. In addition, natural disasters also displaced 7.6 million people and more than 700 people died, but many people still think that having insurance is difficult, even though insurance is not difficult and it is actually easy. This is one impacts of the low insurance literacy in Indonesia (Source: <https://mediaindonesia.com/ekonomi/503363/tangkal-risiko-bisnis-tak-terduka-umkm-diimbau-miliki-asuransi-as-protection>). Primary data is used in this study, to those assisted businesses of West Java Kadin in Bandung, questionnaires were distributed to determine the response of the fostered businesses to risk management, the role of managers, and performance. Based on the

description above, the following problem formulation is How do respondents respond to risk management, the role of managers, and performance at the West Java Chamber of Commerce Development in Bandung; How is the influence of risk management on the role of managers in the West Java Chamber of Commerce Development in Bandung; How is the influence of the manager's role on the performance of the West Java Chamber of Commerce Development in Bandung.

II. METHOD

The sample taken was 50 respondents from the West Java Chamber of Commerce Assistance in Bandung through purposive sampling technique. This study uses a quantitative approach through a survey method, while the questionnaire uses a Lickert scale through primary data, while the respondents' responses are tabulated. The description uses the independent variable of Risk Management, while the endogenous variable is the Manager's Role. And the Manager's Role, exogenous variables and endogenous variables in the form of Performance. The opinion of Sekaran and Bougie (2017: 79), that the existence of exogenous variables will affect endogenous variables, positive or negative. This condition describes if every exogenous variable that exists, will ensure that the endogenous variable follows it, which means that there is an increase or decrease in the exogenous variable. The opinion of Sekaran and Bougie (2017: 77), also explains that the presence of an exogenous variable indicates a variable that is under the influence of other variables, so that this main variable is suitable for research material.

Data obtained from field research, and library research, with a Lickert scale where the distribution of respondents' responses is strongly agree (5), agree (4), undecided (3), disagree (2), strongly disagree (1). The data test was carried out in order to obtain a response through a survey, by distributing questionnaires to get responses from the MSMEs fostered by the West Java Chamber of Commerce, through risk management variables, the role of managers and performance. By using two types, namely: (1) descriptive analysis through qualitative variables and (2) quantitative analysis with path coefficients, and the existence of determinant coefficients in order to obtain the magnitude of the influence of independent variables on endogenous variables. The verification method uses path analysis. Through the use of a combination of analytical techniques, it is hoped

that there will be an integrated generalization starting from risk management, the role of managers to performance. The author distributes this questionnaire to obtain respondents' responses to this study, while the number of statements for the risk management variable is 11 statements, the manager role variable is 11 statements, and the performance is 11 statements.

III. RESULT AND DISCUSSION

This test is carried out as a means of obtaining an overview, to what extent the alleged influence of exogenous variables on endogenous variables is partially. This value is to describe how much influence the exogenous variable partially has on the endogenous variable. between values 0 to 1 (0% - 100%), if a set of values is close to one, the influence of exogenous variables is higher. From the results of this study on a survey of respondents from the West Java Chamber of Commerce and Industry in Bandung, the total sample consisted of 50 respondents. The descriptive statistics test shows that the total number of respondents is 50 people from the three categories of XYZ respondents, with the lowest point/value of the respondent's statement (minimum) which is worth 1, and the highest (maximum) value of the respondent's statement is 5. The difference from the minimum and maximum values are 25 for respondent X, 19 for respondent Y, and 19 for respondent Z. The total sum (sum) in the table has the number of each of the 3 categories of respondents, 2018 for respondent X, 2045 for respondent Y, AND 1975 for respondent Z. The average value (mean) in each category of respondents has a value of 40.36 for respondent X, 40.90 for respondent Y, and 39.50 for respondent Z. Standard deviation for each each category of respondents has a value of 6,721 for respondent X, 4,546 for respondent Y, and 4,358 for respondent Z.

The t-test/partial test on the respondents variable X to variable Y which has a significance of $0.324 > 0.05$ which indicates that the variable X is not significant to the variable Y. And Var X has no effect on Var Y, where $t_{count} < t_{table}$ ($-9,97 < 1.67591$). The t-test/partial test on the respondent variable Y to variable Z which has a significance of $0.000 < 0.05$ which indicates that the Y variable is significant to the Z variable. And Var Y has an effect on Var Z, where $t_{count} < t_{table}$ ($4.809 > 1.67591$). The t-test/partial test on the respondent variable X to variable Z which has a significance of $0.577 < 0.05$ which indicates

that the variable X is not significant to the variable Z. And Var X has no effect on Var Z, where $t_{count} < t_{table}$ (-, $562 < 1.67591$). The results of testing the coefficient of determination with an R Square of 0.020/of 2% which indicates that the variable X can be explained by the variation of Y. The remaining percentage is 98% is another factor outside the research. The results of testing the coefficient of determination with an R Square of 0.325/32.5% which indicates that the Y variable can be explained by the variation of Z. The remaining percentage of 67.5% is another factor outside the research. The results of testing the coefficient of determination with an R Square of 0.007/of 0.7% which indicates that the Y variable can be explained by the variation of Z. The remaining percentage is 99.3% is another factor outside the research.

IV. CONCLUSION AND SUGGESTION

A. Conclusion

The conclusion of the research on the influence of marketing competence on the accumulation of capital investment and its implications for performance are as follows:

1. The number of respondents is 50 fostered businesses from the three categories of respondents X, Y, Z with a minimum point/value of the respondent's statement worth 1, and a maximum value of 5. The difference between the minimum value and the maximum value for X is 25 respondents X, 19 respondents Y, and 19 for respondent Z. The sums have respectively 2018 for respondent X, 2045 for respondent Y, AND 1975 for respondent Z. The mean values for 36 respondents X, 40.90 respondents Y, and 39.50 for respondent Z, with standard deviation is 6,721 for respondent X, 4,546 for respondent Y, and 4,358 for respondent Z.
2. Based on the results of the output above, interpret it as follows, Based on the results of the analysis of the t-test table shows that the variable X has no effect and is not significant on Y.
3. Based on the results of the output above, interpret as follows, Based on the results of the analysis of the t-test table shows that the Y variable has an effect and is significant on Z.
4. Based on the output results above, interpret as follows, Based on the results of the analysis of the t-test table shows that the variable X has no effect and is not significant on Y.

B. Suggestion

Discussion regarding this research is still very limited and requires a lot of input. Suggestions for future authors are to study more deeply and comprehensively about The Effect of Risk Management on the Role of Manager and Their Implications on Performance.

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