Develop Leadership Style Model for Indonesian SMEs Leaders During Covid-19 Pandemic

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INTRODUCTION

The Covid-19 pandemic that occurred globally of course has various impacts sectors, especially in the economic sector. The economic impact is not only domestic, but also globally. International Monetary Fund (IMF) which projecting that the global economy will grow at minus 3%. In Indonesia, this is one of course also having a significant impact on tourism, sector trade, industry including Micro, Small and Medium Enterprises (SMEs). The covid-19 pandemic is affecting the economy from the supply side and Request. On the supply side, companies reduce the supply of raw materials and labor unhealthy and constrained supply chains. From the demand side, lack of demand and decreased consumer confidence in a product. SMEs have a significant impact on the covid-19, SMEs are very vulnerable to being affected by business disruptions, because of their frequency directly related to tourism, transportation and culinary industries that require fast suppliers all of which have been significantly affected by covid-19. (OECD, 2020). Data from the Ministry of Cooperatives and Small and Medium Enterprises (SMEs) shows at in 2018 there were 64,194,057 SMEs in Indonesia and employed 116,978,631 workers. Indonesia is dominated by MSMEs which form the backbone the national economy is also seriously affected not only in the production and aspects their income only, but also the number of workers that must be reduced due to this pandemic. (Pakpahan, 2020). SMEs lacks resilience and flexibility in dealing with this Pandemic is due to several things such as levels digitization is still low, difficulties in accessing technology and lack understanding of survival strategies in business. (OECD, 2020) SMEs are required to able to adapt to existing business developments because of a capable business survive is a business that is responsive to the times.

The Indonesian Ministry of Cooperatives and SMEs reports that in terms of number of units, MSMEs have a share of around 99.99% (62.9 million units) of the total business actors in Indonesia (2017), while large businesses are only 0.01% or around 5,400 units. Micro Enterprises absorb around 107.2 million workers (89.2%), Small Enterprises 5.7 million (4.74%), and Medium Enterprises 3.73 million (3.11%); while Big Enterprises absorbs around 3.58 million people. This means that collectively, MSMEs absorb around 97% of the national workforce, while large enterprises only absorb about 3% of the total national workforce the scale of economic activity for MSMEs contributes around 60% to Indonesia's total Gross Domestic Product. In 2017, Indonesia's GDP was around IDR 13,600 trillion. Thus, it means that the total income of MSMEs is around IDR 8160 trillion! Micro Enterprises contribute around IDR 5,000 trillion per year, Small Business IDR 1,300 trillion, Medium Enterprises around IDR 1,800 trillion; and Large Businesses of around IDR 5,400 trillion. The government also encourages the growth of SMEs be a good forum for job creation productive. SMEs is a labor-intensive business, so it doesn't need any specific requirements, such as level education, skills of workers and use of business capital relatively few and the technology used is quite simple. During the crisis in 1997-1998, SMEs had proven not affected by the current crisis and stood still sturdy. From 1997 to 2020, the number of MSMEs throughout Indonesia has not experienced a decline. Based on the results annual reports obtained by Bank Indonesia show that the number of SMEs continues to increase until they are able absorbing 85 million to 107 million workers until 2018. In that year the number of entrepreneurs in Indonesia was as many as 56,534,592 units. Leadership encourages employees to carry out its duties to achieve the desired goals. Work motivation from the leader can encourage employees work well as a solid team so it’s a goal together can be achieved. There are several factors of work motivation influence employees,
such as the right leadership style. Leaders needed in SMEs are leaders who can inspire or motivate employees to work in achieving common goals. Based on existing data, each year SMEs are increasing rapidly. Because of this, SMEs need a leader who can nurture and motivate employees to be able to develop his business to be bigger. Research that conducted by Asbari (2019), explains that transformational leadership has a positive impact on the success of SMEs businesses. Given the many challenges currently faced by the SMEs organization, the leader of the SMEs must utilize resources and capabilities, especially in transformational leadership to survive and grow into a successful organization. In addition to the right leadership style. The purpose of this research is to analyze and blindly model the influence of democratic leadership, Autocratic leadership, bureaucratic leadership style, Charismatic leadership style on SMEs performance during covid-19 pandemic.

**LITERATURE REVIEW AND HYPOTHESES**

**Leadership Style**

The leadership style is norms of behavior that a person uses when the person tries to influence other people's behavior like which he saw. In this case, effort align perceptions among people who will influence behavior with people whose behavior will be influenced to be very important demographic (Thoha, 2009). Transformative leaders are able to change the consciousness of their followers, raise their morale, and motivate them to do their best to achieve organizational goals, not because they are forced to, but they are willing. According to (Bass & Avolio, 2000), there are three characteristics of transformative leaders, namely: first, to increase followers' awareness of the importance of processes and efforts. Second, to motivate followers to prioritize group interests over individual interests. Third, to shift the follower's needs beyond material things to a higher level such as self-esteem and actualization.

**Work Performance**

According to Engko (2006) Performance individual is the level of achievement or the work of someone from that target must be accomplished or a task to be implemented within a certain time. High individual performance can be improving organizational performance whole. A person's performance can be is said to be good, if that someone is have high skill, sadness to work, there is a reward/wages worthy and have the expectations they deserve in the future. High and low the performance of an employee is of course determined by the factors that influence it either directly or indirectly live. There are several criteria for measuring performance, namely: Quality, quantity, timeliness, cost effectiveness and interpersonal relationships (Bernardin & Russel, 1993). Meanwhile (Mathis & Jackson, 2002) states that SMEs performance has several elements, namely: quantity, quality, accuracy, attendance, cooperation ability, and loyalty. According to Robbins (2006), employee performance has six indicators, namely: Work quality is measured by employees' perceptions of the quality of work produced and the perfection of tasks on the skills and abilities of employees. Quantity is the amount produced expressed in terms such as the number of units, the number of activity cycles completed. Timeliness, is the level of activity completed at the beginning of the stated time, seen from the point of coordination with the output results and maximizing the time available for other activities. According to Swanson and Holton, quoted by Keban (2004: 194) states that:

"individual employee performance can be seen from whether the employee's mission and goals are in accordance with the mission of the institution, whether employees face obstacles in working and achieve results, whether employees have mental abilities, physical, emotional at work, and whether they have high motivation, knowledge, skills and experience at work. Performance can be measured by (1) work quantity, (2) quality of work, (3) cooperation, (4) knowledge of work, (5) work independence, (6) attendance and timeliness, (7) knowledge of policies and objectives. organization, (8) healthy initiatives and ideas, (9) supervisory skills and techniques (Schuler and Dowling, in Keban, 2004: 195). To measure performance individually, McKenna and Beech (1995) have several indicators, indicators of performance that are often used to assess individual employee performance according to McKenna and Beech are Knowledge, abilities and skills at work/competence, work attitudes, expressed as enthusiasm, commitment and motivation. Interaction, for example communication skills and the ability to relate to other people in a team.

**Democratic Leadership Style**

According to Clark R (2009) democratic leadership style involves subordinates in the decision-making process. Mullins (2005) Consulting democratic leadership style with subordinates and evaluating their opinions and suggestions before making decisions. Lewis (1939) democratic leadership style Acting to reward input and commitment through participation, listening to bad news and good news. According to Anderson (1991) democratic leadership style. Share decision making with other members. Daft (2014) democratically delegates authority to others to encourage decision making. Mullins (2007) democratic leadership style Group members have greater rights in decision making, policy making, systems and implementation procedures.

**Hypothesis 1 (H1) democratic leadership style on SMEs performance**

**Autocratic Leadership Style**

According to Bass & Riggio (2006) Leaders avoid responsibility, do not pay attention to the needs of followers, do not provide feedback, and delay decision making. Sparup (2013) manager's autocratic leadership style is the most powerful entity and the main decision maker. According to DurBrin (2006) monitoring and exercising power with little trust or confidence in followers. Jooste & Fourie (2009) Because of this attitude, followers in the system fear and distrust their leader.

**Hypothesis 2 (H2) Autocratic leadership style on SMEs performance**

**Bureaucratic Leadership Style**

According to Michael (2012) bureaucratic leadership styles are usually very committed to. According to Shafier (2005) bureaucratic leadership styles Follow procedures, useful in organizations where employees perform routine tasks. Michael (2010) bureaucratic leadership style motivates and develops people who are ignored by bureaucratic leaders, they follow problem solving procedures. According to Bass (2008), bureaucratic leadership style, autocratic leadership style. Leader behavior is characterized by the application of strict procedures that are applied to the leader and his subordinates.
Hypothesis 3 (H3) bureaucratic leadership style on SMEs performance

Charismatic Leadership Style
According to Bell (2013) charismatic leadership styles inspire others and encourage them to become Weber (1947) not from formal authority but from followers’ perceptions of leaders who are endowed with extraordinary qualities. According to Snow et al., (1986) charismatic leadership styles motivate followers to embrace social change. Bass (1985) charismatic leadership styles are more likely to be in a culture of charismatic leadership styles and they change, not just nurture. They revived failed companies, developed new products and revolutionized processes (Bass, 1981). They can put forward a good vision for the future in the best interest of their organization. (Dubrin and Danglish, 2003).

Hypothesis 3 (H3) Charismatic leadership style on SMEs performance

Based on the study of existing theories and previous research, the following hypotheses were made:

Hypothesis 1 (H1) Democratic leadership style affects SMEs performance
Hypothesis 2 (H2) Autocratic leadership style affects SMEs performance
Hypothesis 3 (H3) Bureaucratic leadership style affects SMEs performance
Hypothesis 4 (H4) Charismatic leadership style affects SMEs performance

METHODS
This type of research is quantitative causality, namely research that measures causal relationships between factors independent and dependent (Kuncoro, 2003, p. 3). Method

Quantitative research is a research method based on positivism philosophy, used to research the population or specific samples, data collection using instruments research, data analysis is quantitative, with the aim to testing the hypothesis that has been applied by Sugiyono (2018). The population of this study were employees of the SMEs sector food in Banten Indonesia which consists of at least 4 employees or more during covid -19 pandemic. The sample of this study were 200 employees work in the food sector SMEs at least 4 employees so that more varied research results can be obtained. Sampling in This study uses purposive nonprobability technique sampling. Primary data in this study were obtained from researchers from filling out a questionnaire conducted by working employees at SMEs in Banten. The data collection method in this study uses questionnaire method. This study uses a Likert scale. Where this answer consists of the smallest scale (1) to the scale largest (5). Here's the explanation: Strongly Disagree (STS): score 1, Disagree (TS): score 2, Neutral (N): score 3, Agree (S): score 4, Strongly Agree (SS): score 5. Data analysis technique Hypothesis testing in this study was carried out with using an approach based on Partial Least Square (PLS).

Outer Model (Measurement Model)
a. Convergent validity is possible

Thus, Valid value seen from the correlation between the indicator score and the score the variable. An indicator is considered valid if it has a value AVE above 0.5 or showing all outer loading variable dimension has a loading value> 0.5 so it can conclude that the measurement met the criteria convergent validity.

b. Discriminant validity.
This value is the value of cross loading factor which is useful for know whether the construct has a discriminant Madai, namely by comparing the loading value on the intended construct must be greater than loading value with other constructs.

c. Composite reliability. Composite data reliability> 0.7 has high reliability. d. Average variance extracted (AVE). Expected value AVE> 0.5, indicating that it has met the validity evaluation convergent.

Inner Model (Structural Model)
The structural model in PLS uses two methods, namely R Square for the dependent construct and the value of the path coefficient or yang can be called t-values to test the significance between constructs.

Inner model is a structural model for predicting causality relationship between latent variables (Jogiyanto, 2011). According to Jogiyanto (2009, p. 61) says that with through the bootstrapping process, the t-statistical test parameters were obtained to predict a causality relationship. R2 value in endogenous constructs. Rated R square is the coefficient determination in endogenous constructs. The R square value has limitations in three classifications, namely 0.67 (strong), 0.33 (moderate) and 0.19 (weak). The better the R square value means the better the model predictions from the research model. PLS model evaluation can Q2 predictive relevance is determined or often called with predictive sample reuse. Q-square value> 0 indicates the model has the opposite predictive relevance if the value of Q-square ≤ 0 can indicate that the model is less predictive relevance (Ghozali, 2015).

Table 1. Respondent Profil Descriptive Information

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>&lt; 30 Years</td>
<td>70</td>
</tr>
<tr>
<td>30 - 40 Years</td>
<td>80</td>
</tr>
<tr>
<td>&gt; 40 Years</td>
<td>50</td>
</tr>
<tr>
<td>Working Period</td>
<td></td>
</tr>
<tr>
<td>&lt; 5 Years</td>
<td>110</td>
</tr>
<tr>
<td>5-10 Years</td>
<td>60</td>
</tr>
<tr>
<td>&gt; 10 Years</td>
<td>30</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>120</td>
</tr>
<tr>
<td>Female</td>
<td>80</td>
</tr>
</tbody>
</table>
Discriminant Validity Testing

Discriminant validity is done to ensure that each concept of each latent variable is different from other latent variables. The model has good discriminant validity if the AVE square value of each exogenous construct (the value on the diagonal) exceeds the correlation between this construct and other constructs (values below the diagonal) (Ghozali, 2014). The results of discriminant validity testing are by using the AVE squared value, namely by looking at the Fornell-Larcker Criterion Value obtained as shown in Table 3.

RESULT AND DISCUSSION

The convergent validity testing stage is carried out by looking for the loading factor of each indicator against the construct. A factor value of 0.5 or more is considered to have sufficiently strong validation to explain latent constructs (Chin, 1998; Ghozali, 2014; Hair et al., 2010). In this study, the minimum limit for the accepted loading factor is 0.5, provided that the AVE value of each construct is > 0.5 (Ghozali, 2014). After going through SmartPLS 3.0 processing, there are several indicators or items that need to be removed from the model, after that, all indicators have a loading factor value above 0.5 or provided that the AVE value is above 0.5. The convergent validity value of this research model has met the requirements. The value of loadings, cronbach’s alpha, composite reliability and AVE for all the complete constructs can be seen in Table 2 below:

### Table 2. Loadings, Cronbach’s Alpha, Composite Reliability, and Average Variance Extracted (AVE) Testing Result

<table>
<thead>
<tr>
<th>Variables</th>
<th>Items</th>
<th>Loadings</th>
<th>Cronbach’s Alpha</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Democratic</td>
<td>D1</td>
<td>0.633</td>
<td>0.713</td>
<td>0.763</td>
<td>0.721</td>
</tr>
<tr>
<td></td>
<td>D2</td>
<td>0.621</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>D3</td>
<td>0.831</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Autocratic</td>
<td>A1</td>
<td>0.811</td>
<td>0.833</td>
<td>0.834</td>
<td>0.711</td>
</tr>
<tr>
<td></td>
<td>A2</td>
<td>0.723</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>A3</td>
<td>0.722</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bureaucratic</td>
<td>B1</td>
<td>0.631</td>
<td>0.642</td>
<td>0.724</td>
<td>0.717</td>
</tr>
<tr>
<td></td>
<td>B2</td>
<td>0.622</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>B3</td>
<td>0.756</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charismatic</td>
<td>C1</td>
<td>0.631</td>
<td>0.632</td>
<td>0.722</td>
<td>0.752</td>
</tr>
<tr>
<td></td>
<td>C2</td>
<td>0.645</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>C3</td>
<td>0.731</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Table 3. Discriminant Validity Testing

<table>
<thead>
<tr>
<th>Variables</th>
<th>D</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Democratic</td>
<td>0.922</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Autocratic</td>
<td>0.512</td>
<td>0.951</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bureaucratic</td>
<td>0.464</td>
<td>0.653</td>
<td>0.921</td>
<td></td>
</tr>
<tr>
<td>Charismatic</td>
<td>0.653</td>
<td>0.721</td>
<td>0.521</td>
<td>0.912</td>
</tr>
</tbody>
</table>

The results of the discriminant validity test in Table 3 above show that all leadership constructs have a square root value of AVE above the correlation value with other latent constructs (through the Fornell-Larcker criteria). Likewise, the cross-loading value of all leadership items from an indicator is greater than the other indicator items as referred to in Table 4, so it can be concluded that the model has met discriminant validity (Fornell & Larcker, 1981).
Hypothesis test
Hypothesis testing in PLS is also called the inner model leadership test. This test includes a test for the significance of direct and indirect effects as well as a measurement of the influence of exogenous variables on endogenous leadership variables. The effect test was carried out using the t-statistical test in the partial least squared (PLS) analysis model using the SmartPLS 3.0 software. With the bootstrapping technique, the R Square value and the significance test value were obtained as shown in Table 4 and Table 5 below:

<table>
<thead>
<tr>
<th>Table 4. R Square Value Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMESS Performance (P)</td>
</tr>
<tr>
<td>------------------------</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Table 5. Hypothesis Testing Result

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Relationship</th>
<th>Beta</th>
<th>SE</th>
<th>T Statistics</th>
<th>P-Values</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>D -&gt; TP</td>
<td>0.425</td>
<td>0.023</td>
<td>2.123</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>A -&gt; TP</td>
<td>0.656</td>
<td>0.054</td>
<td>2.981</td>
<td>0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>H3</td>
<td>B -&gt; TP</td>
<td>0.354</td>
<td>0.035</td>
<td>3.876</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H4</td>
<td>C -&gt; TP</td>
<td>0.432</td>
<td>0.076</td>
<td>2.876</td>
<td>0.001</td>
<td>Supported</td>
</tr>
</tbody>
</table>

DISCUSSION

Relationship Democratic Leadership and SMEs Performance
Based on the results of statistical calculations using SEMPLS in Table 5 above, it is concluded that democratic leadership has a positive and significant effect on SMEs performance. The t-statistics value of 2.876 which is greater than 1.96 and the p-value of 0.001 is smaller than 0.05. Hypothesis (H3) is accepted. These findings are in line with and in accordance with the results of previous studies (Firdaus, 2019; Wijayanti, et al., 2019; Basuki, et al., 2020; Goestjahjanti, et al., 2020; Budi Santoso, et al., 2020; Prameswari, et al., 2020) that democratic leadership has a positive and significant effect on SMEs performance, if the democratic leadership style is carried out well it will encourage an increase in SMEs performance and if the democratic leadership style is not implemented properly it will encourage a decrease in SMEs performance.

Relationship Autocratic Leadership and SMEs Performance
Based on the results of statistical calculations using SEMPLS in Table 5 above, it is concluded that autocratic leadership has a positive and significant effect on SMEs performance. The t-statistics value of 2.981 which is greater than 1.96 and the p-value of 0.000 is smaller than 0.05. Hypothesis (H2) is accepted. These findings are in line with and in accordance with the results of previous studies (Firdaus, 2019; Wijayanti, et al., 2019; Basuki, et al., 2020; Goestjahjanti, et al., 2020; Budi Santoso, et al., 2020; Prameswari, et al., 2020) that autocratic leadership has a positive and significant effect on SMEs performance. It is proven by the t-statistics value of 2.981 which is greater than 1.96 and the p-value of 0.000 is smaller than 0.05. That is, the second hypothesis (H2) is accepted. These findings are in line with and in accordance with the results of previous studies (Mirayani, 2020; Wijayanti, et al., 2019; Basuki, et al., 2020; Goestjahjanti, et al., 2020; Budi Santoso, et al., 2020; Prameswari, et al., 2020) that autocratic leadership has a positive and significant effect on SMEs performance, meaning that if the autocratic leadership style is well executed it will encourage an increase in SMEs performance and if the autocratic leadership style is not executed properly it will encourage a decrease in SMEs performance.

Relationship Bureaucratic Leadership and SMEs Performance
Based on the results of statistical calculations using SEMPLS in Table 5 above, it is concluded that bureaucratic leadership has a positive and significant effect on SMEs performance. The t-statistics value of 3.876 which is greater than 1.96 and the p-value of 0.001 is smaller than 0.05. That is, the third hypothesis (H3) is accepted. These findings are in line with and in accordance with the results of previous studies (Sanusi, 2020; Wijayanti, et al., 2019; Basuki, et al., 2020; Goestjahjanti, et al., 2020; Prameswari, et al., 2020) that bureaucratic leadership has a positive and significant effect on SMEs performance, meaning that if the bureaucratic leadership style is properly executed it will encourage an increase in SMEs performance and if the bureaucratic leadership style is not implemented properly it will encourage a decrease in SMEs performance.

Relationship Charismatic Leadership and SMEs Performance
Based on the results of statistical calculations using SEMPLS in Table 5 above, it is concluded that charismatic leadership has a positive and significant effect on SMEs performance. It is evident from the t-statistics value of 2.876 which is greater than 1.96 and the p-value of 0.011 is smaller than 0.05. That is, the fourth hypothesis (H4) is accepted. These findings are in line with and in accordance with the results of previous studies (Wijayanti, 2020; Mirayani, et al., 2019; Basuki, et al., 2020; Goestjahjanti, et al., 2020; Budi Santoso, et al., 2020; Prameswari, et al., 2020) that charismatic leadership has a positive and significant effect on SMEs performance, meaning that if the charismatic leadership style is properly executed it will encourage an increase in SMEs performance and if the charismatic leadership style is not implemented properly it will encourage a decrease in hospital performance.

Discussion
Based on the test results listed in the table above it can be known the hypotheses of leadership style effect on SMEs...
performance is proven. According to the research results, respondents stated that style during covid-19 pandemic. Transformational leadership is a leader explain the responsibilities and SMEs performance and leaders are able to motivate employees to achieve common goals. This shows that the leader pay attention to employees and motivate employees. However, leaders also have weaknesses about transformational leadership styles. Leaders need to fix problems regarding decision making to solve the problem that occurred. The employees want participate give their opinion to be accommodated by leaders so that the problems that occur can be resolved. This matter shows that employees also want to achieve goals together, namely developing SMEs performance. In this research, there are four dimensions to measure leadership transformational, namely idealized influence, motivation inspirational, intellectual stimulation, and individual attention. Idealized influence is a type of leader show trust, confidence, and be admired / praised employees. Inspirational motivation emphasizes ways motivate and inspire employees to task challenge. Intellectual stimulation emphasizes the type of leader which seeks to encourage employees to think about innovation, creativity, new methods or ways. Individual attention emphasizes the type of leader who pays attention to development and employee achievement needs. Motivation work has three indicators, namely, self-esteem, power and job security needs. Employees will feel honored if respected by others, employees will also be motivated when given power or authority and employees as well requires assurance and a sense of security despite physical harm and the fear of losing your job. Research result shows that the four dimensions are shared by there is an influence between transformational leadership with employee work motivation. By having a leader who can demonstrate trust, admiration, motivation employees, thinking of innovations and new ways to solve problems and also pay attention to employees can influence employee motivation in work. This is in line with research conducted Asbari (2020) that there is a relationship between transformational leadership influence with work motivation.

Employees tend to be motivated to work if they have leaders who can motivate and have a work environment physically comfortable. Physical work environment is included in the matter which is important to see the potential work and work results from employees (Purwanto, 2019). Physical work environment such as workspace for employees is often insufficient for work comfort of employees. This can lead to reduced employee motivation. Leadership style right is also an important factor in motivating employees. By using the right leadership style, employees can be motivated to work. But often UMKM leaders fail in developing their business. The main factors causing failure in SMEs are inadequate and weak leadership (Santoso, 2019). Therefore, in a business activity, both economies of scale and small, the role of the leader greatly affects the success of an effort. The leaders themselves have style leadership that is characteristic in leading the people employees. Wijayanti (2019) argues that role leader or leadership in an organization or company There are three forms, namely roles that are interpersonal, roles which is informational, and the role of decision making. Apart from the role of the leader, the leadership style too influential in running a micro, small and business enterprise medium. As the environment changes, business becomes increasingly complex and competitive. This demands readiness leaders so that the business can survive. The structure of SMEs is simpler so that the relationship between leaders and employees very close together. The leader or leader will determine the purpose of his business, and employees only follow instructions of the leader. Hence a leader in small and medium enterprises must have a style that can influence employees to be motivated. According to Robbins (2016) there are four types of leadership namely charismatic, transactional, transformational leadership and visionary. Charismatic leadership is leadership that shows the attitude of a leader who believes self, transactional leadership is leadership which rewards employees who excel, transformational leadership is provide motivation and inspiration to employees, and Visionary leadership is focused leadership on the vision and mission of the organization. Inner leadership style SMEs are more likely to use a leadership style transformational because this leadership style is more motivate its employees and not just focus on will himself. The results showed style transformational leadership is more effectively used in SMEs because leaders are easier to focus inspire and motivate by number of employees little (Bernarto, 2019). Because of the size of the SMEs the little one, the leader can be someone who can create a vision and direction, the leader must be able to communicate expectations to each employee personally (Asbari, 2020). Charismatic leaders have a vision, are willing to take risks to achieve their vision, are sensitive to the environment and the needs of their followers and exhibit unusual behavior. Transactional leadership style emphasizes rewards to influence follower motivation. Transactional leaders direct or motivate followers towards predetermined goals by clarifying roles and job requirements. Transformational leaders provide individual consideration and intellectual stimulation and process charisma. Transformational leaders inspire their followers to work for various reasons behind their interests for the benefit of the organization. Transformational leaders pay attention to the individual development needs of employees; this leader helps employees to see problems in a new light. Transformational leadership is built on transactional leadership and uses more charisma.

Successful leaders in SMEs exhibit the behaviors and characteristics mentioned in the previous leadership style. SME founders set direction by developing a vision for the future. By communicating this vision, it will inspire him and his employees to overcome difficulties that arise in the organization. SMEs leaders can act as leaders and managers as well as other roles at the start-up stage. Leadership starts with a vision and without vision, effective leadership cannot be done. The four principles of implementing the vision will make SME leaders stronger and more effective. Sharing personal goals with employees is vital in communicating the vision. Vision must be communicated to employees. Command and control are just a management style but putting the job down and taking corrective action does not convey the vision of a leader. A leader must provide a clear vision of what the organization will look like. For SMEs leaders, depending on the number of employees in the organization, which can be communicated verbally, in writing, or both. Effective leaders understand that employees who know where they are, and the company stands will be easier to commit. Committed people who work as a team and produce quality results. Another principle is to rely on a clear vision that covers all stages of the business. The
The scope of the vision is more than just services and products. Uphold the vision, customer links with employees, and internal processes. Employee talent is part of the vision and employees must be told to understand it. The principles associated with change are essential to the leader’s vision. Everyone in the organization, including the leaders themselves must be brave in facing change; thus, the vision also changes. During the founding of the organization and before it, change occurred. Communicating a vision for dealing with change creates a culture that can anticipate and cause more change than react to change. Concrete examples of change in the context of the vision must be shared with employees to make it understandable. For example, product launches, customer service issues, sales scripts and new employee training will allow employees to see changes in various aspects of the company. On the contrary, this will strengthen the vision in facing change. The final principle in sharing a leader’s vision is that the leader’s words and behavior must be consistent and honest. The purpose of sharing the vision is to strengthen the commitment to achieve organizational success. Inconsistency and dishonesty will destroy existing commitments. Employees must see integrity at all levels in the organization to serve customers and the company’s vision with integrity. A good leader shares his vision and does it consistently. It is important for SME leaders to assign each individual task, action, and commitment to support the company’s vision.

CONCLUSION
The conclusion of this study is Democratic leadership style has significant affects to SMEs performance. Autocratic leadership style has a significant effect on SMEs performance, Charismatic leadership style has a significant effect on SMEs performance, bureaucratic leadership style has a significant effect on SMEs performance during covid -19 pandemic . SMEs employees should pay more attention to leadership patterns. Research result indicates the lowest level of leadership transformational namely the statement the leader can take decisions to solve problems, this thing shows that the MSME employees want increase employee engagement in working with provide suggestions to be accommodated by the leader. On the physical work environment sector, the advice given is air exchange that occurs in the work environment of employees work to get more attention. In the work motivation sector, the advice given is to increase the sense of security for UMKM employees. The number of respondents is still minimal seeing the potential of MSMEs in the food sector. Next it is hoped that in the next research object research using a broader scale with the number of respondents is greater. This research is only limited to three variables, namely leadership is expected to add variables other variables such as employee motivation and work environment. Managerial Implications is Leader of SMEs so that their organizations can survive the face environmental changes need to Sensing capabilities. Organizations need to pay attention to and identify market conditions by adjusting consumer needs. In this case the organization needs collect information related to market conditions in order organizations may pursue business opportunities in response environmental change. Learning capabilities, organizations need to keep trying to acquire knowledge that can be adapted to organizational conditions as well as exploiting that knowledge obtained by doing research and experimenting changing existing operational capabilities. Organization should make SOP (Standard Operating Procedure), in order the organization’s operational activities run smoothly. Integrating capabilities, organizations need to include knowledge of each individual into the organization and provide understanding for employees to work with a fit. Coordinating capabilities, Organizations need to organize and placing tasks and resources in an activity operational by assigning the right people to proper tasks and synchronize tasks, activities, and resource.

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