Loan Restructuring, Human Capital and Digital towards MSME Performance In the COVID-19 Pandemic

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Abstract

The contribution of MSMEs in the Indonesian economic during the Covid-19 pandemic contribute to the stability of the economic. The purpose of this study was to determine the effect of restructuring people's business loans (KUR/Kredit Usaha Rakyat), human capital and the digital ecosystem on the performance of MSMEs during the COVID-19 pandemic. This quantitative research method uses primary data obtained from questionnaire data and measured by a Likert scale. The population of this research is SMEs using KUR in Bali Province as many as 21,570, and the research sample obtained as many as 350 MSMEs samples. Questionnaires as research data were collected and distributed online in the google form and processed by multiple linear regression analysis using SPSS version 23. This study shows that the restructuring of KUR, human capital and digital ecosystems has a positive and significant impact on the performance of MSMEs during the pandemic COVID-19. They support its performance, including MSMEs, which can have superior human resources or human capital, to have a competitive advantage. Indicators of human capital that can improve MSME performance, especially financial performance, are knowledge, abilities and skills. Government regulations through the Financial Services Authority (OJK) have shown positive results. The government is trying to ease the burden on MSMEs by providing credit restructuring, interest subsidies, and loans through banks. Some MSMEs began to show improvement in their performance, one of which was financial performance.

Introduction

As is well known, one of the causes of Indonesia's economic development is the procurement of MSMEs. Rukayah (2018), through her research, said that MSMEs have an important role in reducing poverty by creating jobs and reducing unemployment. MSMEs have a role in economic equality that can reach all regions and even remote areas to meet the surrounding community's needs. This phenomenon does not make MSMEs free from obstacles, namely the lack of market knowledge, the need for market product specifications that are not yet optimal, and the lack of knowledge about strategies in dealing with the market, as well as financial management that is not yet good (Lantu, 2016).

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In addition to the obstacles mentioned above, there are also complicated problems currently being faced by MSMEs where MSMEs are facing the Covid-19 pandemic situation. Why is it a strange problem? Several things link the role of MSMEs as one of the sectors capable of reviving the economy from adversity due to the COVID-19 pandemic. The Ministry of Cooperatives and SMEs provided information regarding 949 reports from cooperatives and SMEs affected by the COVID-19 pandemic (Lia, 2021).

Reports from the public mostly conveyed complaints in the face of the pandemic, one of which was the drastic decline in sales due to time constraints, difficulty in obtaining raw materials due to restrictions on export-import activities, and obstacles in production and distribution activities. Market demand is also decreasing due to uncertain economic conditions, difficulties in implementing online promotional media by most MSMEs due to the lack of technological knowledge, and difficulties in accessing capital. This problem is crucial for the community because it will affect the financial performance of MSMEs. It is necessary to implement strategies and solutions to improve the performance of MSMEs so as not to go bankrupt.

Access to capital is indeed one of the obstacles for MSMEs in dealing with the Covid-19 pandemic situation, so this is the government's contribution to dealing with MSME constraints, which provides convenience to MSMEs by providing KUR restructuring, which is expected to help MSMEs face the impact of this pandemic period. The government has issued Regulation of the Financial Services Authority of the Republic of Indonesia Number 11/POJK.03/2020 of 2020 concerning National Economic Stimulus as a Countercyclical Policy for the Impact of the Spread of the 2019 Coronavirus Disease, one of which regulates credit restructuring including KUR. This restructuring is given considering how the COVID-19 pandemic has had a global impact on financial performance and the reduced ability of a person to fulfil obligations or another financing.

OJK regulations state that KUR restructuring is a program that can reduce interest rates, reduce outstanding principal and interest arrears, add credit and financing facilities that turn into temporary equity participation. KUR restructuring is currently the prima donna for MSMEs in helping their business finances. The Minister of Finance also ensures the realization of the restructuring program for traders in traditional markets. The restructuring program allows debtors to get interest payments for six months after approval of the proposal.

The government has made a relaxation policy and additional financing for MSMEs and cooperatives to overcome financial and cash flow problems. Since the pandemic, the government also understands that many business actors have had difficulty financing their debt and interest instalments.

However, some things are feared in the KUR restructuring, namely the moral hazard, the debtor acting outside the rules to seek personal gain. KUR is usually associated with productive credit financing. MSMEs, until now, still often use KUR to meet consumptive needs, so according to (Widianti, 2015), MSMEs are still not effective in managing and using these funds. This pattern indicates that many MSMEs actors still have high personal interests by using their business results to meet their daily needs. MSMEs use these funds for personal needs and not for business capital. The management and use of KUR funds are less targeted, even though it should be the most important aspect to improve the performance of MSMEs. This business credit does not only apply to Indonesia, but also to China where it flows credit funds by supporting the development of a green industry and curbing emission behavior from polluting companies so that people can be protected from an

unfavorable scope. The existence of this green credit has a clear output effect in the form of environmental, health and utility welfare, which is conducive to the green improvement of the industrial structure and can achieve a mutually beneficial output and environmental situation in China. This credit is able to maintain the activities of the Chinese people (Liu & He, 2021).

Human capital is an indication of the efforts of a business in finding the best solution when facing problems through the skills and knowledge of its members. The problems of MSMEs in human capital are related to the lack of market knowledge, lack of knowledge about the specifications of market product needs, lack of ability to enter, and lack of knowledge in facing business competition. Finally, this is what makes the use of human capital necessary in improving the performance of MSMEs and can also solve the problems faced by MSMEs. Human capital also affects the performance of MSMEs (Sari & Farah, 2014).

The problems of MSMEs currently have a close relationship with the digital ecosystem. There are still many MSME actors who have little information about technology. The lack of information can hinder manual promotion media to digital, which is used more effectively and efficiently during a pandemic. The lack of technology literacy due to lack of education and socialization is one of the causes of the adaptation of MSME actors to use technology. Research by (Ariani & Utomo, 2017) states that MSMEs are facing problems where the current use of traditional facilities and infrastructure is because the understanding and knowledge of business actors regarding advanced technology is still relatively low. The level of initiative from business actors is still lacking in carrying out business development by utilizing technology. With the demands of increasingly fierce competition between business actors, it is expected and requires MSME actors to use the best way in their business activities.

From this problem, it is stated that the digital ecosystem is very influential on the performance of MSMEs in competing with other competitors.

The Cooperatives and MSMEs Service is a government business that has a program in the form of coaching and empowerment for MSMEs that can compete with other business actors and help improve MSME performance (Florita et al., 2019). The performance of MSMEs is given convenience in the use of capital in the form of credit by providing a relatively low-interest rate which is still not sufficient in improving the financial performance of MSMEs.

The province of Bali was chosen as the research location based on the opinion (Richard, 2020), which explained that one of the regional banks in Bali (Bank BPD) had difficulties in carrying out the KUR restructuring program because of the moral hazard. Some debtors abuse the light relaxation policy. Socialization for MSMEs in receiving KUR restructuring waivers is very lacking. The debtor immediately avoided not paying the credit and asked for relief from the bank. Obstacles from debtors can interfere with the effectiveness of the KUR arrangement program activities. In addition, another reason for using Bali as a research location is because it is known that Bali makes tourism its main commodity so that the impact of the pandemic is very much felt for the Balinese economy and also tourism actors in it, such as many tourism facilities being closed. This downturn has resulted in a decrease in people's income and increasing unemployment, so the government issued a policy by providing assistance from various aspects, both social and educational, one of which was providing a policy to MSMEs by restructuring KUR. This restructuring is expected to provide space in the financial stimulus for the Balinese people affected by the Covid-19 pandemic.The Bali Provincial Government needs to research to determine the effectiveness of the restructuring

implementation and its contribution to the performance of MSMEs.

The KUR program provided by the government is expected to increase significantly the number of MSMEs who are promoted to grade. According to (Rochmah, 2016), when submitting their application, MSMEs meet the requirements related to positive financial performance and business development, increased productivity, and increased competitive initiatives. It is hoped that MSMEs will develop and increase productivity in their business so that the use of KUR funds is right on target. This study differs from previous research because it analyzes the restructuring of KUR to current government policies to assist MSME financial performance during the COVID-19 pandemic. The digital ecosystem is one of the obstacles in growing MSMEs and is a novelty in this research. With previous research. Based on the explanation above, the researchers researched the restructuring of KUR, human capital and the digital ecosystem in dealing with the performance of MSMEs during the COVID-19 pandemic in Bali Province.

Literature Review

This study uses Resource-Based Theory (RBT), with the understanding that obtaining a competitive advantage and good financial performance by a business can be done through merging, obtaining and using assets (Warnier et al., 2013). Strategically achieve a competitive advantage and good financial performance. In addition, RBT is said to explain the theory in revealing the competitive advantage of a business. If used properly, it will give positive profits and financial performance (Kozlenkova et al., 2014). (Malini & Herawati, 2021) states that various theories are very important to build a performance model of MSMEs, and one of them uses Resource-Based Theory. MSMEs will create a competitive advantage if they have good financial performance and take advantage of their strategic assets.

According to (Ramadhan, 2018), financial performance states assessing business conditions through financial analysis with good or bad categories. The analysis results can provide an overview of the achievement of work performance in a certain period. (Jayusman et al., 2019) stated that a company has a good financial performance assessment or not. The measurement is through the company's ability to meet its obligations when they fall due (liquidity), prepare a funding structure by comparing debt and capital (leverage), obtain profit (profitability), develop (growth), and manage assets optimally (activity).

Restructuring in its definition (Norley et al., 2012) states restructuring as an action in rearranging the structure, ownership, and operations of a company to be more profitable and better for current needs. There is also an understanding of financial restructuring, namely a substantial change in the company's financial structure or ownership or control, which is designed to increase the company's value (Lal et al., 2013). Restructuring in the bank concept is a change in credit terms related to adding bank funds, transferring part/all of the interest arrears into new loan principals, or transferring part/all of the credit to bank participation or others (As' ari et al., 2020). The government has made efforts to help MSMEs face the COVID-19 pandemic, namely, providing restructuring to debtors by providing facilities to reduce interest rates, reduce principal and interest arrears, add credit facilities, and convert financing temporary Finance. This program is expected to help debtors get relief by not paying interest for six months after the approval of the restructuring proposal (Boedirochminarni, 2020). The requirements for submitting a KUR restructuring according to POJK number 11/POJK.03/2020 are debtors affected by the spread of Covid-19, including MSMEs debtors, where debtors are experiencing difficulties in fulfilling obligations to the bank.

Human capital is stated by (Atmaja & Purnamawati., 2020) as capital that has an attachment to HR within the company's scope by having expertise, motivation, responsibility, and employee obedience. When a company can manage and use its members' existing knowledge, it will increase human capital (Purnami, 2021). The unification of human capabilities in an organization in solving problems faced by business is also said to be an understanding of human capital; besides, creativity and innovation can also occur because of human capital in a company. Human capital currently has a relationship with the problems of MSMEs, namely the lack of market intelligence capabilities towards the target market, knowledge of product specifications according to market needs, knowledge of market entry rules, and business competitors (Osano, 2019). Components related to human capital, in the form of knowledge, skills, and abilities used in assessing or measuring human capital in business actors, such as MSMEs.

The digital ecosystem results from human engineering on delivering information from the sender to the recipient so that information delivery will be faster, wider in distribution, and longer stored. A digital ecosystem is an adaptation of an ecosystem. The ecosystem here can be interpreted as freedom in joining the environment in which some species are proactive to information. Ecosystems have two important and complementary parts (Sunarsi, 2020). The first is multi-species interacting with each other to maintain a balance, and the second is an environment that supports species' needs to survive and thrive. The characteristic of the digital ecosystem here is that there is an activity for both parties who use digital where they have participated and benefited (Nambisan et al., 2019). In addition, some processes are interconnected and occur simultaneously in the digital ecosystem; this is based on knowledge and cooperation. Both digital ecosystems, digital species and digital environments have become one unified digital system. MSMEs are expected to survive in the competition by maximizing their ability to master digital devices (Purwana et al., 2017).

KUR funds as one of the largest sources of working capital in an MSME. Therefore, the government swiftly assists MSMEs during the pandemic by procuring KUR restructuring with the hope of being able to ease the burden on MSMEs affected by the Covid-19 pandemic so that they can affect the financial performance of MSMEs, which are getting better (Suparman, 2021). This KUR restructuring can be provided with facilities in the form of reducing interest rates, arrears of principal and interest, adding credit facilities, or converting financing into temporary equity participation by the regulations of the Financial Services Authority (Disemadi, 2020). Research on KUR restructuring with performance still shows inconsistencies. Previous research by (As'ari et al., 2019), (Hidayati, 2021), (Hanim, 2021) found that restructuring positively affected the company's financial performance. Research (Iskandar et al., 2017) found that debt restructuring had a negative and insignificant effect on financial performance. Based on previous studies so that it can be concluded a hypothesis:

H₁: KUR Restructuring has a positive and significant impact on MSMEs Performance during the Covid-19 Pandemic

In the RBT, it is stated that a company owns tangible and intangible assets to develop competitive advantages and high performance. One of the intangible assets in the company is human capital. (Atmaja & Purnamawati, 2020) states that human capital is closely related to existing human resources in the company by having expertise, motivation, responsibility, and employee obedience. Research on human capital related to performance is still experiencing inconsistencies. Research conducted by (Wu & Sivalogathasan, 2013), (Muda & Rahman, 2016), (Supeno, 2018) shows that human capital has a positive effect on performance, while research by (Asnanda et al., 2020) shows

that human capital does not affect organizational performance. Previous studies conclude the hypothesis, namely:

H₂: Human Capital has a positive and significant effect on MSMEs Performance during the Covid-19 Pandemic

MSMEs are currently said to have transformed into a digital ecosystem, even integrating online and offline marketing (Priyono et al., 2020). This transformation is deemed unable to run as expected because many companies or MSME business actors are unfamiliar with using increasingly sophisticated technology and have not been able to do business digitally. The digitization of MSMEs is strongly influenced by optimism and the ability to use the internet by MSME actors themselves (Purbasari et al., 2021). Another thing is that the level of comfort and safety is also not expected to be too high. Should the greater the turnover generated, the MSME actors will be more prepared to face and carry out digital transformation (Szalavetz, 2020). It can be proven the higher the index value because of the greater the turnover. MSMEs do not rule out the possibility of not doing their job well in digital transformation. However, some obstacles will always be faced, such as the lack of knowledge in using the internet, the telecommunication infrastructure used is not good. Research on digital ecosystems is related to performance, where previous research by (Arianto 2020) and (Wijoyo, 2020) obtained the results that the digital ecosystem has a positive influence on company performance. Based on previous studies so that it can be concluded a hypothesis:

H₃: The digital ecosystem has a positive and significant impact on the performance of MSMEs during the Covid-19 pandemic

Research Methods

The subjects of this research are micro, small and medium enterprises in Bali Province. The primary data obtained is the result of filling out questionnaires by respondents, which is done online and sent via a google form. The questionnaire consists of four parts: KUR restructuring, human capital, digital ecosystem, and MSME performance in dealing with the Covid-19 pandemic. The scale used in the preparation of the research questionnaire is a Likert scale of 1-5 points. Each question is given five alternative answers, each item of the questionnaire has a different value, as follows: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

The population in this study is MSMEs in Bali Province that used KUR and recorded at the Dinas Perdagangan, Perindustrian, Koperasi dan Usaha Kecil Menengah in Bali Province in 2019 with a total of 21,570 MSMEs. The method used in collecting samples in this study is the convenience sampling method, a general term that includes various procedures for selecting respondents. The sample used in this study was 350 SMEs based on the solving formula. The research instrument used in this study is a questionnaire based on a list of questions distributed to all MSME respondents in the face of the Covid-19 pandemic.

Performance (Y)
Performance as a level of success in carrying out tasks and abilities in achieving the goals that have been set. Performance is declared good and successful if the desired goals can be achieved properly (Aguinis, 2019).

KUR restructuring (X₁)
KUR restructuring is a process used by companies, individuals, and even countries to avoid the risk of defaulting on their existing debts, such as by negotiating lower interest rates. Debt restructuring provides a less expensive alternative to bankruptcy when a debtor is in financial turmoil, and it can work to the benefit of both borrower and lender (Carol, 2021).

Human capital (X_2)

Human capital which characterizes human capital as the ability to perform productive tasks, considering the costs incurred in education and training as investments in human resources. Education and training are useful in increase one's productive potential, so it should be considered as a human capital investment (Dovern-Pinger, 2013).

Digital Ecosystem (X_3)

The digital ecosystem is is a self-organizing, sustainable system with digital platforms at the base, which form a single information environment where the members of the ecosystem can interact when no hard functional ties between them exist (Barykin, 2020).

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Information:

Y   = MSMEs Performance
X1   = KUR Restructuring
X2   = Human capital
X3   = Digital Ecosystem
α   = constant / intercept
β_1, β_2, β_3 = Regression coefficient
ε   = Error disturbance (confounding variable)

Results and Discussion

Data collection is done by distributing questionnaires online with google Forms to MSMEs. The number of questionnaires filled in is 350 questionnaires. The description of the characteristics of the respondents is as shown in table 1.

Table 1. Characteristics of Respondents

Respondents Characteristics	Total	Percentage
Type of Business Number		
Services	40	11,4%
Trade	277	79,2%
Manufacturing	33	9,4%
Total	350	100%
Gender		
Male	260	74,3%
Female	90	25,7%
Total	350	100%
Owner's Age		
25 Years	15	4,3%
26- 35 Years	105	30%
36-45 Years	132	37,7%
46-55 Years	63	18%
56 Years	35	10%
Total	350	100%
Business Age (Years)		
1-5	268	76,6%
6-10	73	20,8%
11-15	5	1,4%
16-20	4	1,2%
Total	350	100%
Year of KUR Restructuring		
2020	210	60%
2021	129	36,8%
KUR Un-Restructuring	11	3,2%
Total	350	100%

Descriptive statistics describe average value (mean), standard deviation, highest value, lowest value, and sum. The dependent variable used in this study is the performance of MSMEs, and the independent variables used are KUR restructuring, human capital and the digital ecosystem.

Table 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
KUR restructuring (X_1)	350	12	24	18.16	2.369
Human capital (X_2)	350	8	15	11.49	1.614
Digital Ecosystem (X_3)	350	13	25	18.42	2.418
MSMEs Performance (Y)	350	12	25	18.17	2.356
Valid N (listwise)	350				

The table above shows that N or the number of data for each valid variable is 350. The performance variables of MSMEs (Y), KUR restructuring (X_1), Human capital (X_2), Digital Ecosystem (X_3), which consist of 350 data samples, have an average value greater than the standard deviation value, so this indicates that the low data deviation and even distribution of data values.

Table 3. Validity Test

Statement	Pearson Correlation	Sig (2-tailed)	Description
KUR restructuring			
X1.1	0.698**	0.000	Valid
X1.2	0.717**	0.000	Valid
X1.3	0.603**	0.000	Valid
X1.4	0.633**	0.000	Valid
X1.5	0.598**	0.000	Valid
Human capital			
X2.1	0.800**	0.000	Valid
X2.2	0.803**	0.000	Valid
X2.3	0.824**	0.000	Valid
Digital Ecosystem			
X3.1	0.661**	0.000	Valid
X3.2	0.705**	0.000	Valid
X3.3	0.532**	0.000	Valid
X3.4	0.617**	0.000	Valid
X3.5	0.701**	0.000	Valid
MSMEs Performance			
Y1	0.577**	0.000	Valid
Y2	0.734**	0.000	Valid
Y3	0.621**	0.000	Valid
Y4	0.642**	0.000	Valid
Y5	0.686**	0.000	Valid

Table 3 shows that all questions related to the independent variables, namely KUR restructuring, human capital and digital ecosystems, and the dependent variable, namely MSMEs performance, can be valid because each question has a significance value below 0.05.

Table 4. Data Reliability

Variable	Cronbach's Alpha	Description
KUR restructuring (X_1)	0.658	Reliable
Human capital (X_2)	0.733	Reliable
Digital Ecosystem (X_3)	0.651	Reliable
MSMEs Performance (Y)	0.676	Reliable

Table 4 shows that the variables of KUR restructuring, human capital and digital ecosystems and the dependent variable, namely the performance of MSMEs, Cronbach's Alpha value is above 0.70, which means that the value of each variable is above reliable.

Furthermore, the classical assumption test is carried out with the first, namely the normality test. The normality test results of the One-Sample Kolmogorov-Smirnov Test stated that the Asymp value. Sig (2-tailed) shows 0.122. The criteria used are if Asymptotic Significant (probability) > 0.05, it means that it is normally distributed (Santoso, 2016). Because of the Asymp.Sig value from the results of the One-Sample Kolmogorov-Smirnov Test is 0.122 > 0.05, so the data is normally distributed.

After conducting the normality test, then the heteroscedasticity test was carried out. Based on the results of the heteroscedasticity test, the restructuring variable KUR (X_1) has a significant value of 0.706. This value is greater than 0.05, which indicates the data is free from heteroscedasticity symptoms. The human capital variable (X_2) has a significant value of 0.604 which means it is greater than 0.05 so that it is free from heteroscedasticity symptoms. The digital ecosystem variable (X_3) has a significant value of 0.971 which means it is greater than 0.05 and free from heteroscedasticity symptoms. It can conclude that the regression model is free from heteroscedasticity.

The next classic assumption test is the multicollinearity test. It can explain that the restructuring variable KUR (X_1) has a Tolerance value of 0.927 > 0.1 and a VIF value of 1.078 < 10, which means the model is free from multicollinearity. The human capital variable (X_2) in this study has a Tolerance value of 0.915 > 0.1 and a VIF value of 1.089 < 10, which means it is free from the symptoms of multicollinearity. The digital ecosystem variable (X_3) in this study has a Tolerance value of 0.917 > 0.1 and a VIF value of 1.089 < 10, which means it is free from multicollinearity symptoms. So it can be concluded that there was no multicollinearity between the independent variables in the regression model in this study.

The partial hypothesis test is used to determine the effect of each independent variable, namely the restructuring of KUR, human capital and the digital ecosystem on the dependent variable, namely the performance of MSMEs. This study used 350 samples so that the obtained df = n-k-1, = 350-3-1, to obtain a t table with df = 346, which is 1.967. The following calculation results are presented in Table 5.

Table 5. Partial Significance

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.082	1.123		3.633	0.000
	X_1	0.153	0.045	0.154	3.369	0.001
	X_2	0.376	0.067	0.257	5.605	0.000
	X_3	0.380	0.045	0.390	8.490	0.000

a. Dependent Variable: Y

By the hypothesis proposed in this study, based on table 5, the detailed tests are as follows.

The results of testing the first hypothesis regarding the effect of the KUR restructuring variable on the MSMEs performance variable obtained a t_{count} value of 3.369 > t_{table} value of 1.967 and a significance value of 0.001 < 0.05 so that H_1 is accepted. The restructuring of KUR has a positive and significant effect on the performance of MSMEs.

The results of testing the second hypothesis regarding the effect of the human capital variable on the MSMEs performance variable obtained a t_{count} value of 5.605 > t_{table} value of 1.967 and a significant value of human capital of 0.000 < 0.05 so that H_2 is accepted. Human capital has a positive and significant effect on the performance of MSMEs.

The results of testing the third hypothesis regarding the effect of digital ecosystem variables on MSMEs performance variables obtained $_{a}$ t_{count} value of 8.490 > t_{table} value of 1.967 and a digital ecosystem significance value of 0.000 < 0.05 so H_3 is accepted. The digital ecosystem has a positive and significant impact on the performance of MSMEs.

Multiple regression equation in this study is as follows:
$Y = 4.028 + 0.153X_1 + 0.376X_2 + 0.380X_3$

Information :
Y = MSMEs Performance
X_1 = KUR Restructuring
X_2 = Human capital

X_3 = Digital Ecosystem
α = Constant
$β_1$ =Regression coefficient of the variable KUR Restructuring
$β_2$ = Human capital variable regression coefficient
$β_3$ =Digital Ecosystem variable regression coefficient
ε =Error disturbance (disruption variable)

The regression equation that has been formulated can be interpreted as follows:

The constant of 4.028 means that by putting aside the influence of the magnitude of the KUR Restructuring (X_1), Human Capital (X_2), and the digital Ecosystem (X_3), the magnitude of MSME Performance (Y) is 4.028.

The Effect of KUR Restructuring on MSMEs Performance During the Covid-19 Pandemic
The results of the KUR restructuring variable on the MSME performance variable show that the t_{count} value is 3.369 > the t_{table} value is 1.967. The significance value is 0.001 < 0.05, indicating that the KUR restructuring has a positive and significant effect on the performance of MSMEs where this study is by what was done by (Amajihono, 2020), (Purboadji, 2021), (Ismiyanti, 2020), (Hendiarto, 2021), (Adhikary et al., 2021), (Esubalew, 2020) and (Mulyana et al., 2020). This study shows that the higher MSMEs use and utilize KUR restructuring, the higher the performance of MSMEs as KUR users within the scope of the Bali Province during the COVID-19 pandemic.

KUR restructuring as a variable in this study shows the results where KUR restructuring has a high category; this is because MSMEs using KUR funds in the scope of the Bali Province have used and utilized KUR restructuring in helping their business capital during the COVID-19 pandemic. Through the regulations contained in the Financial Services Authority (OJK) Regulation Number 11 of 2020 concerning National Economic Stimulus as a Countercyclical Policy for the Impact of the Spread of Corona Virus Disease 2019, the government showed good results. In its efforts to ease the burden on MSMEs by providing credit restructuring, providing interest subsidies and providing new loans through banks has begun to produce positive results. Some MSMEs began to show improvement in their performance, one of which was financial performance. Resources will provide maximum benefits for the company when the management is right on target so that its chances of achieving its goals will be even greater.

The Effect of Human Capital on MSMEs Financial Performance During the Covid-19 Pandemic

The human capital variable on the MSMEs performance variable obtained a t_{count} value of $5.605 > a$ $_{stable}$ value of 1.967, and a significant value of human capital of 0.000 <0.05. The research results of human capital have a positive and significant effect on the performance of MSMEs. This study indicates that the higher the human capital owned, the higher the financial performance of MSMEs users of KUR funds in the scope of the Province of Bali. It supports the company's performance, including MSMEs that can have superior human resources or human capital, to have a competitive advantage.

Indicators of human capital that can improve MSMEs performance, especially financial performance, are knowledge, abilities and skills. Human capital can be said to be a pioneer even as a driver in all lines of the company's business strategy. The success of the business strategy that is implemented is highly dependent on the quality of the human capital owned. This research by (Hashim et al., 2018), (Effiom, 2020), (Ratten, 2020), (Sun, 2021), (Farace, 2015), (Syarifah et al., 2020), and (Wajdi, 2019) explains the influence of human capital on performance. The company's condition can produce high enough performance, which usually has reliable human resources with high work motivation and a high commitment to work. Each company with different human resources in managing the same company assets will produce different added value.

The Effect of the Digital Ecosystem on MSMEs Performance During the Covid-19 Pandemic

The digital ecosystem variable on the MSME performance variable obtained a t_{count} value of $8.490 > a$ stable value of 1.967 and a digital ecosystem significance value of $0.000 < 0.05$. The digital ecosystem has a positive and significant effect on the performance of MSMEs. The development of technology, information, and the web has changed all levels of society, starting from individuals, groups, and organizations gradually adapting from a traditional environment to a digital one. People live in a digital environment that is open and in direct contact with a digital environment called a digital ecosystem. Digitalization is said to require a business to be able to create a new strategy (El Sawy et al., 2016) and force all business activities from the operational level to management to be able to use digital (Chuang, 2015), (Akpan, 2021), (Sia et al., 2016). By implementing digitalization, business actors, including MSMEs, will improve company performance by changing old business processes and replacing them with new ones. automated processes, or replacing human labour with automated machines (Chae & An, 2018), and promoting business to the media by utilizing technology through social media. (Benitez et al., 2018) states that digital transformation in business businesses can be transformed into competitive advantages and can improve company performance, for example, by

utilizing digitalization of business applications that enable better operational implementation.

Conclusion, Limitation and Recommendation

Resource-Based Theory discusses the resources owned by the company and how the company can develop a competitive advantage from the resources it has. In this RBT theory, to develop a competitive advantage, a company must have superior resources and capabilities and exceed its competitors to create value. So that in this study, it contributes to the variables used in the form of KUR restructuring, human capital and digital ecosystems.

This study discusses MSMEs that use KUR and get restructuring to deal with the Covid-19 pandemic. The maximum use of human capital in a company to maximize performance is also the focus of this research and the existence of a digital ecosystem for MSMEs in using technology to help sales. This policy for MSMEs needs improvement to encourage development and improve their financial performance, especially during the current pandemic. Previous studies have corroborated the results of this study that the studies conducted showed positive and significant results.

This study concludes that KUR restructuring has a positive and significant effect on the performance of MSMEs; MSMEs using KUR funds in the province of Bali have taken advantage of the restructuring of KUR in helping their business capital during the COVID-19 pandemic. Human capital has a positive and significant effect on the performance of MSMEs; human capital can support the improvement of MSMEs performance, especially financial performance, namely knowledge, abilities and skills. The digital ecosystem has a positive and significant impact on the performance of MSMEs. Business actors, including MSMEs who have implemented digitalization, will improve company performance in terms of operations, finance and others.

MSMEs that use KUR funds can take advantage of assistance from the government in the form of a KUR restructuring program to ease the burden of credit payments during the COVID-19 pandemic. Through these efforts, MSMEs can again manage their funding sources and develop their companies effectively in terms of human resources and the digital ecosystem. Further researchers can develop other variables to expand the research results.

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