

Technium.

44/2023

2023
A new decade for social changes

Technium
Social Sciences

Powered by

PLUS
COMMUNICATION



International
Communication & PR



Antecedent Strategic Alignment and Its Effect on Business Resilience

Sabihaini, Sri Astuti, Rifki Indra Perwira, Marita

Department of Management, Faculty of Economics and Business, Universitas Pembangunan Nasional “Veteran” Yogyakarta, Indonesia

sabihaini@upnyk.ac.id, sri_astuti@upnyk.ac.id, rifki@upnyk.ac.id,
marita@upnyk.ac.id

Abstract. The Covid-19 pandemic, which has been around for about 2 years, has impacted all sectors, especially the economic and industrial sectors. For SMEs, the Covid-19 pandemic is a challenge for cost and financial disruptions, activity disruptions, and existence difficulties. Many companies and SMEs have experienced bankruptcy and were unable to survive amid the Covid-19 pandemic outbreak. Therefore, this research was established to propose antecedent strategic alignment that can build business resilience. In this study, the unit of analysis is SMEs in Sleman, Yogyakarta. The sample in this study was 94 SMEs. The analysis outcome of this study indicates that communication between business management and information technology management, strategic information system planning, information technology infrastructure flexibility, and environmental uncertainty have an effect and can become an antecedent of strategic alignment and in the end, strategic alignment has an effect on business resilience in a positive and significant way. The findings are interesting because it turns out that during the Covid-19 pandemic, strategic alignment can be a predictor of business resilience. Where business resilience has the nature of proactive anticipation before turbulence, adaptive when turbulence occurs, and reactive after turbulence occurs. And this is also the novelty of this research.

Keywords. Strategic Alignment, Business Resilience, Communication between business management and IT department, Planning Information System Strategy, Information Technology Infrastructure Flexibility, Environmental Uncertainty

1. Introduction

The Covid-19 pandemic, which has been around for about 2 years, has impacted all sectors, especially the economic and industrial sectors, both large and small industries ranging from economy to health (Adam & Alarifi, 2021). SMEs usually have resilience when economic problems occur. This was proven when facing the 1997-1998 monetary crisis that occurred in Indonesia. At that time, the larger companies could not survive. Moreover, with the existence of large-scale social restrictions to limit the movement of people and goods and require the public if there is no urgent need, they are expected to stay at home as stipulated in the Government Regulation Number 21 of 2020 Concerning Large-Scale Social Restrictions (PSBB) in the Context of Accelerating Handling of Corona Virus Disease 2019 (Covid-19).

This resulted in the company's economic activity being disrupted. This disruption in business activities causes performance to decline.

The Covid-19 pandemic can be a challenge and or threat for companies and SMEs. For SMEs, the Covid-19 pandemic is a challenge when it comes to cost and financial disruptions, activity disruptions, and existence difficulties, which are interrelated and comprehensive (Zutshi, Mendy, Sharma, Thomas, & Sarker, 2021). Meanwhile, the pandemic threatens the sustainability of operations and infrastructure (Gurria, 2020; Stephanie, 2020). The outbreak has also had a detrimental influence on financing, sales, supply chains, and the number of people employed by small and medium businesses (SMEs). This has resulted in disrupted business activities and subsequently has an impact on the performance of SMEs; there are even SMEs that are threatened with bankruptcy because they are unable to survive. This statement is reinforced by a survey conducted by Bank Indonesia which found that about 72.6% of MSME actors were under pressure due to the Covid-19 pandemic (Sandy, 2020).

SME business resilience is the capability of a business to be adaptive, proactive (initiative), integrity (congruent between words and actions), discipline, hard work, and social in the face of uncertain environmental conditions as a consequence of maintaining business stability. Kapanewon Tempel is one of the Kapanewon in Sleman Regency, Yogyakarta, directly adjacent to Central Java Province and entrance to Central Java Province. Kapanewon Tempel is divided into 8 villages and 98 Padukuhan. Based on data from the Central Bureau of Statistics (BPS) of Kapanewon Tempel in 2019, the industrial sector is grouped into 2 sectors: the small industrial sector and the medium-large industrial sector. Small industry group is a company that has an asset value of less than Rp. 200 million, while companies with asset values of more than Rp. 200 million are grouped into large and medium industrial sectors.

The vision of Sleman Regency is “the realization of a more prosperous, independent, cultured Sleman community and the integration of the e-government system towards a Smart Regency in 2021”. Sleman Smart Regency is a Sleman Regency that is smart in developing and managing various resources effectively and efficiently by utilizing Information Technology and Communication to make as large or excellent public services as possible and bolster sustainable development. Therefore, strategic alignment is needed between one part and another.

Venkatraman (1989) found a strategic alignment model named the Strategic Alignment Model (SAM). And communication between business and IT management, strategic information system planning (SISP), information technology infrastructure flexibility (IT infrastructure flexibility), and environmental uncertainty are the four factors that makeup SAM.

Through information technology, organizations can gain strategic advantages so that this can be fulfilled. It is necessary to have strategic information system planning to be able to realize organizational goals. Organizations need to find the needs for their organization and evaluate IT so that they can get opportunities and strategies to be developed and implemented by all layers involved in the organization. The effect of information technology on organizations has been widespread, the driving force for SMEs to survive the pandemic. Considering that the market is currently increasingly complex and unlimited, strategic alignment is essential to maintain the survival of SMEs. Accordingly, this research destines to analyze and investigate the antecedents of the effect of strategic alignment on the resilience of SMEs during a pandemic.

2. Literature Review

2.1 SME Business Resilience

SME business resilience is the capability of a business to stand through and effectively compete in the business environment (Alberti, Ferrario, & Pizzurno, 2018). Gray & Jones

(2016) mention that business resilience focuses more on the ability to adapt, survive and develop, or learn from phenomena that occur and start with better preparedness. As for other sources, SME business resilience, according to Tognazzo et al., (2016), designates to an organization's capability to adjust to changing situations such as environmental shocks and will create innovation if it can respond and adapt during turbulence. To ensure business resilience, SME managers must develop appropriate strategies focusing on improving SME business performance. This can be done by motivating managers to consistently work hard and have an optimistic perception of the success of their business. That is, company resilience is one of the characteristics of company performance (Adam & Alarifi, 2021). Thus, the more innovative, agile, and flexible a business adapts to the external environment, the more capable SMEs will be to shortly adapt their business processes and strategies, which can build a resilient response to turbulence. A strategic alignment is a form of SME business response to a turbulent external environment. The faster the strategic alignment, the greater the profits for the SME business. This means the process and ability to adapt to overcome challenges and strategically through strategic alignment and reinvention to achieve organizational renewal. The alignment of strategy in the real context is to maximize the performance obtained by the organization (Calhoun & Lederer, 1990). And under the findings of Iman & Jogiyanto (2006) organizational performance is undoubtedly affected positively by strategic alignment. It is hoped that the alignment can build a competitive advantage strategy that shall improve the organization by increasing visibility, efficiency, and profitability on the competition in nowadays' changing market.

2.2 Strategic Alignment

Organizational goals can be achieved if all components of the organization can run in their corridors, meaning that everything runs in harmony with their functions. To achieve strategic alignment, indicators are needed that can measure the alignment of the organization. In pursuance of Lederer & Mendelow (1989), there are three types of relationships that may be used to compose information systems and business plans: content, time, and personnel. Firstly, the degree of consistency between the information system and the business plan is referred to as content linkage. The time relationship pertains to whether the information system and business strategy are designed simultaneously or separately. Personnel relations relate to the extent of the complicity of the business executive in the information systems plan and the information systems executive in the business plan. Corbae & Duffy (2008) states that strategic alignment between business and IT is a goal process to achieve competitive advantage through thriving how to maintain a reciprocal relationship between business and IT. To achieve this goal, a model is needed that explains the relationship between business strategy and IT. Henderson & Venkatraman (1993) have presented a model known as the Strategic Alignment Model (SAM), which researchers have widely used. SAM is primarily concerned with precise strategic and functional integration while the use of information technology to alter companies is known as strategic alignment. In pursuance of Henderson & Venkatraman (1993), strategic alignment objective is matching information technology with business goals. The Strategic Alignment Model (SAM) is the name of this technique. The SAM model framework includes four elements, namely communication between business managers and IT managers, strategic information systems planning, information technology infrastructure flexibility, and environmental uncertainty.

2.3 Communication between business management and IT department

An organization is a bunch of people who work together to achieve certain goals. Managers at all levels of an organization have a strategic role in organizational development. Each of these managerial roles cannot be separated from the importance of communication activities in organizations. Through each of these roles, a manager must be able to communicate ideas, ideas, or information to his employees, so that they will be able to quickly understand the message that has been conveyed effectively and adequately (Purwanto, 2011).

Communication between the organization's superiors or, in this case, is the head of the IT and program sub-sections is very necessary to seize the goals and strategic alignment of the organization, especially the head of the program sub-section (program managers) and the head of the IT sub-section (IT managers). The pattern of communication (pattern of communication) occurs in an organization; in general, communication patterns can be divided into formal communication channels (formal communication channels) and non-formal communication channels (informal communications channels).

Business strategy and technology strategy are interrelated so that they can be linked through strategic alignment. Masa'deh et al., (2008) found that communication between IT and program subsection heads must exist to achieve strategic alignment. Communication between the head of the IT sub-section and essential programs in an organization to achieve organizational goals and create strategic alignment more easily. Managers also need to develop their skills to respond to changing business environments by improving their communication skills.

H1a: "Communication between business management and IT has a positive effect on strategic alignment".

2.4 Planning Information System Strategy

Business strategy alignment is convinced to be sturdily influenced by a SI planning strategy positively (Masa'deh et al., 2008). Newkirk & Lederer (2006) state that achieving successful SISP in an uncertain environment is vital for planners. In an uncertain environment, analysis is likely to give a better understanding of the organization's environment, resources, partners, and beneficiaries. This makes it possible to understand and predict changes and develop plans. According to Murti & Sudarno (2014), business strategy and system/technology strategy are interrelated, and it is necessary to achieve strategic alignment so that they can support each other. With strategic alignment, organizational performance will be more optimal to accomplish alignment between organizational priorities and IS performance (Jonathan, 2020). According to Sabherwal & Kirs (1994) the alignment between critical success factors (CSF) and IT capability has a positive effect on the perception of IT success. The sophistication of IT management is positively related to the perception of IT success. To achieve IT success, it must be followed by the success of information systems. To achieve maximum success and for information systems, it is necessary to have information system planning to realize strategic alignment that will improve organizational performance for the better.

H1b: "Strategic information system planning (SISP) has a positive effect on strategic alignment".

2.5 Information Technology Infrastructure Flexibility

The information technology infrastructure flexibility is crucial for organizations that want to survive and continue improving the quality and performance of their business. Lawrence (2005) found that IT flexibility is strongly related to strategic alignment positively.

The information technology infrastructure must be flexible to manage the increasing demands of customers (Weill, 1993) The capacity of system developers to design and construct systems that meet business goals can be enhanced by the flexibility of information technology infrastructure (Duncan, 1995). Therefore, a flexible information technology infrastructure can react to changes in the business environment. Chung, Rainer Jr, Lewis, & Jr, (2003) investigated the link between information technology flexibility and strategic alignment, finding that IT infrastructure flexibility was positively connected with strategic alignment. As a result, if a corporation wants to preserve a long-term competitive edge, it needs a flexible information technology infrastructure.

H1c: “The information technology infrastructure flexibility has a positive effect on strategic alignment”.

2.6 Environmental Uncertainty

Miller (1993) defines environmental uncertainty as a variable that has an impact on company performance. Bhatt (2001) argues that companies that deal with unfathomable problems and unforeseen situations will be more challenging to control. For companies to handle difficult situations such as pandemic conditions, it is necessary to regulate communication patterns between members, technology, and knowledge assets. Sabihaini, Pratomo, Rustamaji, & Sudaryatie (2018) found that getting to know the environment more deeply requires knowledge. Furthermore, it is said that the increase in a person's knowledge of the environment, the higher his attitude and concern for the environment. In an uncertain environment, according to Daft & Lengel (1986), there is a greater requirement for information processing. On the other hand, Lee & Grover (1999) suggest that using information technology must be improved because it may assist an organization's information processing skills as well as develop connections with consumers and suppliers. Thus, in an uncertain environment, information technology may assist businesses in coping with uncertainty by enhancing their capacity to analyze data, enabling for strategic information technology use (Reich & Benbasat, 1996).

H1d: “Environmental uncertainty has a positive effect on strategic alignment”.

The framework for hypothesis 1 (1a-1d) can be built (Figure 1).

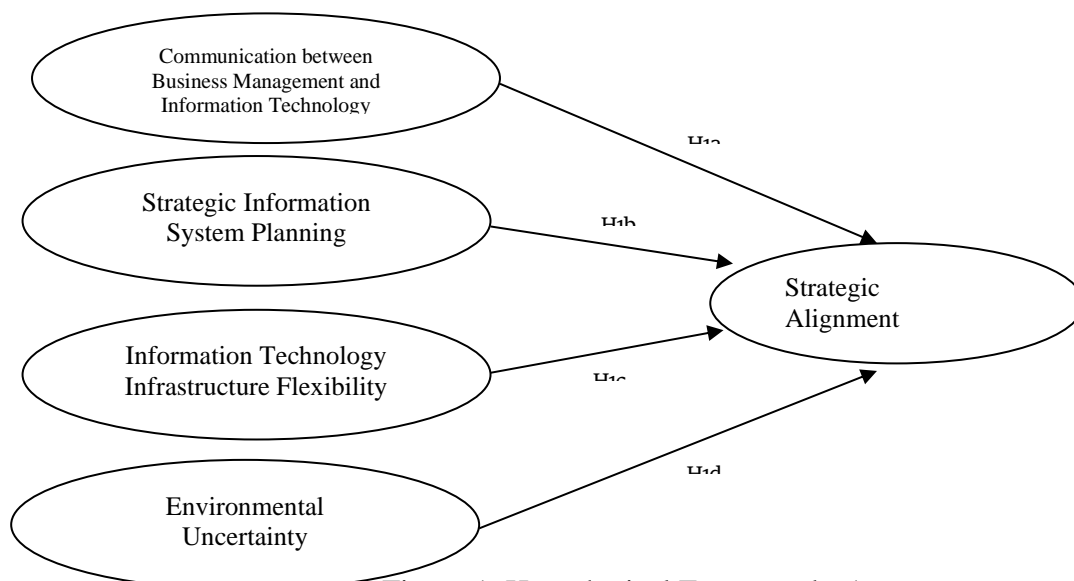


Figure 1. Hypothetical Frameworks 1

The purpose of strategic alignment is for management to align IT strategy with business strategy. Strategic alignment is needed to improve the performance and business continuity of SMEs. Strategic alignment is aimed at mitigating the risks caused by the outbreak of Covid-19 pandemic. Under the finding of Guo, Yang, Huang, & Guo, (2020), technology can assist SMEs in surviving and dealing with the impacts of the Covid-19 outbreak. Therefore, when the level of alignment within the organization is higher, the business resilience will also be higher. This can be achieved because SMEs can deploy, integrate and reconfigure IT to espouse their business strategies. From this description, a hypothesis can be derived.

H2. “Strategic alignment has a positive effect on SME business resilience”.

The hypothetical model that can be built is in Figure 2.

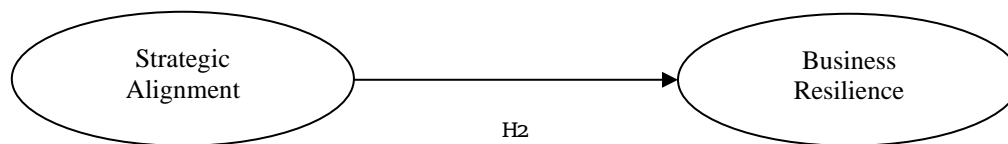


Figure 2. Hypothetical Frameworks 2

3. Research Method

This research applies a quantitative approach that is also, at the same time, associative and causal research because it answers the relationship between variables. The unit of analysis is SMEs. This type of data includes primary data types. Primary data in this research is business resilience, strategic alignment, communication between business management and IT departments and programs, strategic information system planning (SISP), IT infrastructure flexibility, and environmental uncertainty.

3.1 Sampling Techniques and Data Collection

Sampling in this study was carried out by census because all SMEs were sampled. The number of SMEs in Kapanewon Tempel, Sleman Regency, Yogyakarta is 110 SMEs, so the number of samples is 110 SMEs.

Data collection using a survey method using a list of questionnaires that were delivered directly to the respondents (SME managers). The number of questionnaires that were returned and deserved to be analyzed was 94 questionnaires. So that, the return rate of the questionnaire is 85.45%. The number of questionnaires is sufficient to represent the UKM Kapanewon Tempel and analyzed using regression.

3.2 Variable Measurements

Business resilience (dependent variable). Business resilience is measured by 4 statement items (including proactive, responsive and adaptive, and reactive) adopted from Supardi & Hadi (2020) using a five-point Likert scale (from strongly disagree to strongly agree). There are three independent variables, namely:

Using indicators adopted from Reich & Benbasat (2000), communication between business management and IT management includes 9 statement items. Measured using a five-point Likert scale where 1 is very ineffective, and 5 is very effective.

Strategic information system planning, adoption indicators from Lederer & Salmela (1996) are completeness and formalization, while focus control is adopted from Chakravarthy

(1987). There are 9 statement items using a 5 point Likert scale (1 strongly disagree and 5 strongly agree).

Information technology infrastructure flexibility with indicators of connectivity, compatibility, and modularity was adopted from Duncan (1995) Duncan (1995). There are 9 statement items using a 5 point Likert scale (1 strongly disagree and 5 strongly agree). And environmental uncertainty using a 5 point Likert scale (1 strongly disagree and 5 strongly agree).

Strategic alignment (can be used as dependent and independent variables)

Strategic alignment is measured using 3 indicators: content linkage (covering 4 statement items), timing linkage (3 statement items), and personnel linkage (3 statement items) adopted from Lederer & Mendelow (1989) with a Likert point scale of 5 from very low ranging. to very high.

4. Results

Validity test results

The construct validity test (Construct Validity) outcomes were carried out using the Pearson Product Moment correlation method. The results of the item homogeneity test of the items in the questionnaire show that the item scores in each research variable have a positive correlation with the total item score. In other words, overall, the items used can measure each variable at a significance level less than 0.05, then it is said to be valid. The results can be visible in Table 1.

Table 1. Results of Research Variable Validity Test

Variables	Item	Level of Significance	Item Homogeneity (Pearson Correlation)	Sig. (2-tailed)
Business Resilience	BR1	0.05	0.904	0.000
	BR2	0.05	0.897	0.000
	BR3	0.05	0.908	0.000
	BR4	0.05	0.888	0.000
Strategic Alignment	SA1	0.05	0.944	0.000
	SA2	0.05	0.970	0.000
	SA3	0.05	0.911	0.000
	SA4	0.05	0.859	0.000
	SA5	0.05	0.579	0.000
	SA6	0.05	0.891	0.000
	SA7	0.05	0.968	0.000
	SA8	0.05	0.944	0.000
	SA9	0.05	0.970	0.000
	SA10	0.05	0.911	0.000
Communication between Business Management and Information	Com1	0.05	0.949	0.000
	Com2	0.05	0.979	0.000
	Com3	0.05	0.932	0.000
	Com4	0.05	0.898	0.000
	Com5	0.05	0.890	0.000



Technology Management	Com6	0.05	0.975	0.000
	Com7	0.05	0.735	0.000
	Com8	0.05	0.906	0.000
	Com9	0.05	0.855	0.000
Strategic Information System Planning (SISP)	GIC1	0.05	0.872	0.000
	GIC2	0.05	0.886	0.000
	GIC3	0.05	0.855	0.000
	GIC4	0.05	0.964	0.000
	GIC5	0.05	0.874	0.000
	GIC6	0.05	0.780	0.000
	GIC7	0.05	0.830	0.000
	GIC8	0.05	0.973	0.000
	GIC9	0.05	0.840	0.000
Information Technology Infrastructure Flexibility	FLE1	0.05	0.898	0.000
	FLE2	0.05	0.879	0.000
	FLE3	0.05	0.878	0.000
	FLE4	0.05	0.853	0.000
	FLE5	0.05	0.868	0.000
	FLE6	0.05	0.855	0.000
	FLE7	0.05	0.897	0.000
	FLE8	0.05	0.898	0.000
	FLE9	0.05	0.912	0.000
Environmental Uncertainty	NV1	0.05	0.795	0.000
	NV2	0.05	0.797	0.000
	NV3	0.05	0.80	0.000
	NV4	0.05	0.818	0.000
	NV5	0.05	0.892	0.000
	NV6	0.05	0.796	0.000
	NV7	0.05	0.855	0.000
	NV8	0.05	0.853	0.000
	NV9	0.05	0.848	0.000

Source: Primary Data Processed, 2021

Reliability test results

The reliability test results show that the Cronbach Alpha coefficient for each variable is between 0.886-0.923, meaning that all variables are reliable because they exceed the threshold greater than 0.7 sets by Nunnally (1970). Overall measurement results The results can be visible in Table 2.

Table 2. Reliability Test Results

Variables	Cronbach's Alpha coefficient	Thresho ld	Evidence
Business Resilience	0.912	0.7	Reliabel
Strategic Alignment	0.908	0.7	Reliabel

Communication between Business Management and Information Technology Management	0.886	0.7	Reliabel
Strategic Information System Planning (SISP)	0.895	0.7	Reliabel
Information Technology Infrastructure Flexibility	0.923	0.7	Reliabel
Environmental Uncertainty	0.891	0.7	Reliabel

Source: Primary Data Processed, 2021

4.1 Hypothesis test

Hypothesis 1 (H1a-H1d) was tested by multiple regression with the formula:

$$SA = a_1 + b_1Com + b_2GIC + b_3FLE + b_4NV + e_1$$

Hypothesis 2 (H2) was tested by simple linear regression with the formula:

$$BR = a + bSA + e$$

Which:

SA = Strategic Alignment

BR = Business Resilience

Com = Communication between Business Management and Information Technology Management

GIC = Strategic Information System Planning

FLE = Information Technology Infrastructure Flexibility

NV = Environmental Uncertainty

a & a₁ = Constant

b & b₁ s/d b₄ = Independent variable regression coefficient

e- e₁ = Error

4.2 Results of hypothesis testing 1 (H1a-H1d) with multiple regression

As shown in Table 3, the model test conducted by R square adjusted is 0.851, which means the ability of the model (communication between business management and the information technology department, strategic information system planning, information technology infrastructure flexibility, and environmental uncertainty) to explain the dependent variable (strategic alignment) of 85.1 % at the F level of significance of 0.000 with an F count of 12,319. From these results, it is considered to be a fit model.

Table 3. Model Test Results

Model	R	R square	R Square adjusted	Std. Error of the Estimate
1	.918a	0.874	0.851	1.701
F Count	12.319			
F Probability	0.000			

Source: Primary Data Processed, 2021

The results of hypothesis testing 1 (H1a-H1b) in Table 4 show that all proposed hypotheses are accepted at a significance level below 0.05.

Table 4. Multiple Regression Test Results

Variables	Regression Coefficient	t Count	t Significant	Evidenve
Com → SA	0.403	2.336	0.024	Signifikan
GIC → SA	0.386	2.407	0.019	Signifikan
FLE → SA	0.421	2.653	0.011	Signifikan
NV → SA	0.311	2.345	0.013	Signifikan

Source: Primary Data Processed, 2021

Hypothesis 2 test results

R square of 0.861 at a significance level of 0.000 with a calculated F of 11.740 means that the model is fit. This means that the model's ability (strategic alignment) to explain the dependent variable (business resilience) is 86.1%. Hypothesis 2, which expresses that "strategic alignment has a positive effect on business resilience," is accepted at a significance level below 0.005.

5. Discussion

The effect of communication between business management and information technology management on strategic alignment

Based on hypothesis testing 1a, it shows that communication between business management and information technology management has a positive effect on strategic alignment. These results explain that the more effective the communication between business management and the information technology department, the greater the opportunity for strategic alignment in these SMEs. Given the SME business is significantly affected by the Covid-19 outbreak. During this pandemic, SMEs face adversities or risks in carrying out operational activities and face financial risks (Che et al., 2020). For this reason, it is necessary to build intensive communication between business management and the IT department, and other departments aimed at getting information and business assistance that can be done using social media or even sharing the workplace and doing tasks online. In addition, the participation of all parties is needed to think about the future of the SME business. These findings show the important role of communication in strengthening relationships between various parties, finally being able to build a strategic alignment as a reciprocal reaction to SMEs in the Covid-19 pandemic.

The effect of strategic information system planning on strategic alignment

Based on hypothesis testing 1b, it points that strategic information system planning has a significant positive effect on Strategic Alignment. It signifies that the more detailed the strategic information system planning, the implementation in accordance with the implemented plans and plans are well controlled, and the planned focus is running as it should. This important role of strategic information system planning will support SMEs in implementing business plans to realize business goals, making it easier to carry out the strategic alignment for SMEs. Furthermore, strategic information systems planning describes the framework for management.

The effect of information technology infrastructure flexibility on strategic alignment

Based on hypothesis testing 1c, it shows that the flexibility of information technology infrastructure has a positive effect on strategic alignment. This means that the more flexible or easy to adapt the information technology infrastructure to the needs of SMEs, the smoother connectivity of information technology both inside and outside the business environment,

configure and modify software, hardware, and other components that are safe and do not cause negative impacts for SMEs, the more they will be able to maximize their profits. Business performance that impacts the achievement of strategic alignment. Good infrastructure flexibility can improve systems development capabilities to design and develop systems to meet business goals. Therefore, infrastructure flexibility is essential for the survival of SMEs to achieve strategic alignment.

The Effect of Environmental Uncertainty on Strategic Alignment

Based on hypothesis testing 1d, it shows that environmental uncertainty has a positive effect on strategic alignment. It signifies that the emergence of unexpected situations and conditions that are difficult to control both internally and externally will cause environmental uncertainty. However, this can be offset by competition, changes in demand, and changes in technology, causing SMEs to continue to innovate and develop to become the most superior. So that strategic alignment can still be achieved.

The findings of this research (hypothesis 1:1a-1d) are in line with Masa'deh et al., (2008) who found that communication between business management and information technology managers, strategic information system planning, information technology infrastructure flexibility, and environmental uncertainty has a positive influence on strategic alignment. In this study, business managers and information technology managers are adjusted to become business management, namely managers or owners of SMEs, and information technology management, namely, staff or employees appointed to manage the field of information technology.

Strategic alignment has a positive effect on business resilience

Hypothesis 2, which expresses that "strategic alignment has a positive effect on business resilience", is accepted. These results indicate that the higher the level of strategic alignment between business and IT, the higher the business resilience. This means that there is a match and integration between business strategy, IT strategy, business structure, and IT structure so that SME businesses can survive and face crises that threaten their existence. Strategic Alignment is already well known as the process of taking actions on the organization's business divisions and employees that fit with the organization's intended goals. And conducting a complete strategic alignment to guarantee that divisions and workers (employees) are working together towards the company's stated objectives would boost its capacity to accomplish its strategic goals. However, Rosa (1998) stated that only eight percent of information technology managers and business managers considered their performance very effective in aligning the company with strategic goals. This happens because of the low effectiveness of the alignment process. It was also stated that to align the organization, it is necessary to pay attention to 5 primary keys: mobilization, translation strategy, organizational alignment, employee motivation, and governance. This is a challenge for SME businesses and companies going forward.

6. Conclusion

The study findings and discussion above can be summarized as follows: 1) communication between business management and information technology managers has a significant positive effect on strategic alignment; 2) strategic information system planning has a significant positive effect on strategic alignment; 3) The flexibility of information technology infrastructure has a significant positive effect on strategic alignment; 4) environmental uncertainty has a significant positive effect on strategic alignment, and 5) strategic alignment has a significant positive effect on business resilience.

Managerial Implication

The study has implications for SME managers, the Government as policy makers.

For SME managers: 1) actively seek ways to adapt (adaptive resilience) to the challenges caused by the Covid-19 outbreak; 2) SME managers believe that businesses can grow positively in the face of difficult situations; 3) managers and managers look for creative ways to change difficult situations regardless of what happens to the SME business; 4) the most important thing is to believe that these events can be controlled. For this reason, Managers, managers, and employees need knowledge-based dynamic capabilities, which include: knowledge acquisition capability, knowledge generation capability, knowledge combination capability, and agile leadership.

For the Government as a policymaker, providing more stimulus for SMEs, which includes, among others, guidance, consulting and training services, financing facilities, and psychological support to help overcome difficulties due to the pandemic. The Government also provides relief for SMEs in loan funds, such as low-interest loans.

Theoretical implications, developing a comprehensive SAM model to examine the effect of the adopted strategic alignment antecedents and their effect on the resilience of SME business. To add references and relate strategic alignment to business resilience during the pandemic. These results indicate that strategic alignment can be a predictor of business resilience. Business resilience has the nature of proactive anticipation before turbulence, adaptive when turbulence occurs, and reactive after turbulence (Supardi and Hadi, 2020). The results are fascinating. It turns out that during the Covid-19 pandemic, strategic alignment helps SME businesses in risk mitigation and becomes a challenge in the future. And this is the novelty of this research.

Limitation And Future Research

This study has limitations. Firstly, this research only examines the direct effect so that there are 2 hypothetical frameworks, 1 and 2 (see Figure 1 and Figure 2). For future research, the hypothetical framework should be used as a complete and comprehensive model. Thus, direct and indirect effects can be tested, where strategic alignment is used as a mediating or intervening variable so that the analytical technique used should be the structural equation model (SEM). Second, the limited literature reveals the relationship between strategic alignment and business resilience. As far as the new author is concerned, this research links strategic alignment with business resilience.

References

- [1] Adam, N. A., & Alarifi, G. (2021). Innovation practices for survival of small and medium enterprises (SMEs) in the COVID-19 times: the role of external support. *Journal of Innovation and Entrepreneurship*, 10(1), 1–22. <https://doi.org/10.1186/S13731-021-00156-6/TABLES/6>
- [2] Alberti, F. G., Ferrario, S., & Pizzurno, E. (2018). Resilience: resources and strategies of SMEs in a new theoretical framework. *International Journal of Learning and Intellectual Capital*, 15(2), 2018), 165–188. <https://doi.org/10.1504/IJLIC.2018.091969>
- [3] Bhatt, G. D. (2001). Knowledge management in organizations: Examining the interaction between technologies, techniques, and people. *Journal of Knowledge Management*, 5(1), 68–75. <https://doi.org/10.1108/13673270110384419/FULL/XML>

- [4] Calhoun, K. J., & Lederer, A. L. (1990). From Strategic Plan to Strategic Practice: The Communications Connection. *American Journal of Business*, 5(2), 60–63. <https://doi.org/10.1108/19355181199000014>
- [5] Chakravarthy, B. S. (1987). On tailoring a strategic planning system to its context: Some empirical evidence. *Strategic Management Journal*, 8(6), 517–534. <https://doi.org/10.1002/SMJ.4250080603>
- [6] Che, A. R., Omar, Ishak, Suraiya, Abdullah, M., & Jusoh. (2020). The impact of Covid-19 Movement Control Order on SMEs’ businesses and survival strategies. *Geografia*, 16(2).
- [7] Chung, S. H., Rainer Jr, R. K., Lewis, B. R., & Jr, R. K. (2003). The Impact of Information Technology Infrastructure Flexibility on Strategic Alignment and Application Implementations. *Communications of the Association for Information Systems*, 11(1), 11. <https://doi.org/10.17705/1CAIS.01111>
- [8] Corbae, P. D., & Duffy, J. (2008). Experiments with network formation. *Games and Economic Behavior*, 64(1), 81–120.
- [9] Daft, R. L., & Lengel, R. H. (1986). Organizational Information Requirements, Media Richness and Structural Design. [Http://Dx.Doi.Org/10.1287/Mnsc.32.5.554](http://Dx.Doi.Org/10.1287/Mnsc.32.5.554), 32(5), 554–571. <https://doi.org/10.1287/MNSC.32.5.554>
- [10] Duncan, N. B. (1995). Capturing Flexibility of Information Technology Infrastructure: A Study of Resource Characteristics and Their Measure. *Journal of Management Information Systems*, 12(2), 37–57. <https://doi.org/10.1080/07421222.1995.11518080>
- [11] *Government Regulation Number 21 of 2020 concerning Large-Scale Social Restrictions (PSBB) in the Context of Accelerating Handling of Corona Virus Disease 2019 (Covid-19)*. , (2020). Republic of Indonesia.
- [12] Gray, D., & Jones, K. F. (2016). Using organisational development and learning methods to develop resilience for sustainable futures with SMEs and micro businesses: The case of the “business alliance.” *Journal of Small Business and Enterprise Development*, 23(2), 474–494. <https://doi.org/10.1108/JSBED-03-2015-0031>
- [13] Guo, H., Yang, Z., Huang, R., & Guo, A. (2020). The digitalization and public crisis responses of small and medium enterprises: Implications from a COVID-19 survey. *Frontiers of Business Research in China*, 14(1), 1–25. <https://doi.org/10.1186/S11782-020-00087-1/FIGURES/1>
- [14] Gurria, A. (2020). TACKLING CORONAVIRUS (COVID-19) - Contributing to the global effort - OECD. Retrieved November 15, 2021, from <https://www.oecd.org/dac/development-assistance-committee/daccovid19statement.htm>
- [15] Henderson, J. C., & Venkatraman, N. (1993). Strategic alignment: leveraging information technology for transforming organizations. *IBM Systems Journal*, 32(1), 4–16. <https://doi.org/10.1147/SJ.382.0472>
- [16] Iman, N. V., & Jogiyanto, H. (2006). PENGARUH PENYELARASAN STRATEGIK TERHADAP KINERJA ORGANISASI PADA SEKTOR PERBANKAN DI INDONESIA. *SIMPOSIUM NASIONAL AKUNTANSI 9 PADANG*, 23–26.
- [17] Jonathan, G. M. (2020). *Information Technology Alignment: The Role of Organisational Structure*, DSV Report Series No. 20-006. Swedia: Stockholm University.
- [18] Lederer, A. L., & Mendelow, A. L. (1989). Coordination of Information Systems Plans with Business Plans. *Journal of Management Information Systems*, 6(2), 17–18.

- <https://doi.org/10.1080/07421222.1989.11517854>
- [19] Lederer, A. L., & Salmela, H. (1996). Toward a theory of strategic information systems planning. *The Journal of Strategic Information Systems*, 5(3), 237–253. [https://doi.org/10.1016/S0963-8687\(96\)80005-9](https://doi.org/10.1016/S0963-8687(96)80005-9)
- [20] Lee, C. C., & Grover, V. (1999). Exploring Mediation between Environmental and Structural Attributes: The Penetration of Communication Technologies in Manufacturing Organizations. *Journal of Management Information Systems*, 16(3), 187–217. <https://doi.org/10.1080/07421222.1999.11518261>
- [21] Masa'deh, R., Hunaiti, Z., & Bani Yaseen, A. (2008). An Integrative Model Linking IT-Business Strategic Alignment and Firm Performance: The Mediating Role of Pursuing Innovation and Knowledge Management Strategies. *Communications of the IBIMA*, 2, 180–187.
- [22] Miller, K. D. (1993). Industry and Country Effects on Managers' Perceptions of Environmental Uncertainties. *Journal of International Business Studies*, 24(4), 693–714.
- [23] Murti, P., & Sudarno, S. (2014). PENGARUH PENYELARASAN STRATEGIK TERHADAP KINERJA ORGANISASI (Studi Empiris pada Rumah Sakit dan Klinik di Pangkalan Bun, Kalimantan Tengah). *Diponegoro Journal of Accounting*, 3(3), 707–715.
- [24] Ness, Lawrence, R. (2005). Assessing the relationships among IT flexibility, strategic alignment, and IT effectiveness: study overview and findings. *Journal of Information Technology Management*, 16(2), 1–17.
- [25] Newkirk, H. E., & Lederer, A. L. (2006). The effectiveness of strategic information systems planning under environmental uncertainty. *Information & Management*, 43(4), 481–501. <https://doi.org/10.1016/J.IM.2005.12.001>
- [26] Nunnally, J. C. (1970). *Psychometric Theory, second edition*. New Delhi: McGraw-Hill Inc.
- [27] Purwanto, D. (2011). *Komunikasi Bisnis*. Jakarta: Erlangga.
- [28] Reich, B., & Benbasat, I. (1996). Measuring the Linkage Between Business and Information Technology Objectives. *MIS Quarterly*, 20, 55–81. <https://doi.org/10.2307/249542>
- [29] Reich, B., & Benbasat, I. (2000). Factors That Influence the Social Dimension of Alignment Between Business and Information Technology Objectives. *MIS Quarterly*, 24, 81–113. <https://doi.org/10.2307/3250980>
- [30] Rosa, J. (1998). *CIOs challenged by disparate goals*, *Computer Reseller News*, Dec. 7, 1998, 43.
- [31] Sabherwal, R., & Kirs, P. (1994). The Alignment between Organizational Critical Success Factors and Information Technology Capability in Academic Institutions*. *Decision Sciences*, 25, 301–330. <https://doi.org/10.1111/j.1540-5915.1994.tb00805.x>
- [32] Sabihaini, S., Pratomo, A. H., Rustamaji, H. C., & Sudaryatie, S. (2018). Environmental Factors Affecting Traditional Fishermen in Maintaining The Resilience of Marine Areas in The Context of Indonesian State Defense. *Humanities and Social Science Reviews*, 6(3), 46–54.
- [33] Sandy, K. F. (2020). Survei BI: 72,6 Persen UMKM Turun Omzet akibat Pandemi Covid-19. Retrieved November 15, 2021, from <https://www.inews.id/finance/makro/survei-bi-726-persen-umkm-turun-omzet-akibat-pandemi-covid-19>

- [34] Stephanie, S. (2020). The Global Economic Impacts of Covid-19 | Center for Strategic and International Studies. Retrieved November 15, 2021, from <https://www.csis.org/analysis/global-economic-impacts-covid-19>
- [35] Supardi, S., & Hadi, S. (2020). New Perspective on the Resilience of SMEs Proactive, Adaptive, Reactive from Business Turbulence: A Systematic Review. *Journal of Xi'an University of Architecture & Technology, Volume XII*, 4068–4076.
- [36] Tognazzo, A., Gubitta, P., & Favaron, S. D. (2016). Does slack always affect resilience? A study of quasi-medium-sized Italian firms. *Https://Doi.Org/10.1080/08985626.2016.1250820*, 28(9–10), 768–790. <https://doi.org/10.1080/08985626.2016.1250820>
- [37] Venkatraman, N. (1989). The Concept of Fit in Strategy Research: Toward Verbal and Statistical Correspondence. *The Academy of Management Review*, 14(3), 423. <https://doi.org/10.2307/258177>
- [38] Weill, P. (1993). *The role and value of information technology infrastructure : some empirical observations*.
- [39] Zutshi, A., Mendy, J., Sharma, G. D., Thomas, A., & Sarker, T. (2021). From Challenges to Creativity: Enhancing SMEs' Resilience in the Context of COVID-19. *Sustainability 2021, Vol. 13, Page 6542, 13(12), 6542*. <https://doi.org/10.3390/SU13126542>