

The impact of the covid-19 pandemic on the procurement of goods and services in the Indonesian Air Force

Girjo Rahmanto^{1*}

¹Universitas Sriwijaya, Indonesia

*Corresponding author: 01023682328022@student.unsri.ac.id

KEYWORDS

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ABSTRACT Procurement of goods and services is part of fulfilling fundamental logistics needs and greatly determines the continuity of the Indonesian Air Force duties. The process of procuring goods and services should really be in accordance with the time line, quality standards and volumes in the contract in accordance with the flow map of procurement of goods and services which has been determined as an embodiment of professional performance, but with the Covid-19 pandemic the procurement of goods and services in the environment The Indonesian Air Force was hampered. This research aims to analyze how big the impact of the Covid-19 Pandemic is on the Procurement of Goods and Services for the Indonesian Air Force. The research method used in this research is a quantitative approach. This research uses data analysis that is adapted to the research pattern and variables studied. The model used in this research is a causality model to test the relationship between variables in a model, both between indicators and their constructs and the relationship between constructs. The research results show that time line has a significant effect on the need for goods and services within the Indonesian Air Force, quality standards have an influence but are not significant on the need for goods and services within the Indonesian Air Force, and volume has a significant influence on the need for goods and services within the Indonesian Air Force.

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1. INTRODUCTION

The Covid-19 pandemic has been a difficult period for all countries experiencing it, including Indonesia. The pandemic not only has a direct impact on the health aspect, but also on other aspects of life, such as the economic and social aspects. Social restriction and regional quarantine policies have the potential to restrict people from carrying out economic activities, so that the circulation of goods and services becomes hampered. This condition occurred for quite a long time, causing a decline in economic growth in areas experiencing the COVID-19 pandemic (McKibbin & Fernando, 2020) The Covid-19 pandemic is a unique short-term event, this outbreak is temporary like a tsunami, the event is short, but has a very large impact, and also spreads very quickly. Many countries are overwhelmed by this pandemic. The Covid-19 pandemic has changed many perspectives, including the goods and services procurement sector. (Amrozi et al., n.d.)

Based on the Regulation of the Minister of Defense of the Republic of Indonesia Number 17 of 2014, procurement is divided into two, namely Foreign Procurement and Domestic Procurement. (Puspita et al., 2022) Furthermore, Presidential Decree Number 80 of 2003 states that government procurement of goods and services is the procurement activity of goods/services financed by APBN/APBD, whether carried out independently or by

providers of goods/services (McKibbin & Fernando, 2020). Based on Presidential Regulation of the Republic of Indonesia Number 54 of 2010, procurement of goods and services is an activity to obtain goods or services by Ministries/Institutions/Regional Work Units/Other Institutions whose process starts from needs planning until completion of all activities to obtain goods/services (Ahmadien et al., 2018). The government procurement process for goods/services is relatively different from the private sector. The most basic difference is in terms of financing. (Lindström et al., 2022) All procurement of government goods/services financed by the APBN/APBD, either in part or in whole, must refer to the Presidential Regulation of the Republic of Indonesia Number 54 of 2010 which came into effect on 1 January 2011. (Suprianto et al., 2019)

The procurement unit is one of the most important parts of a government organization, but often does not receive adequate attention. Most procurement functions are still handled on an ad-hoc basis by committees that are formed and work temporarily (not permanently). A system like this has many weaknesses and will also cause low performance in procurement of goods/services at central/regional government institutions. Low performance will have a negative impact on the performance of government organizations as well, including the public services provided to the community. (Lembaga Kebijakan Pengadaan Barang/Jasa Pemerintah, 2013). (Setia et al., 2020)

Procurement of goods and services is part of fulfilling fundamental logistics needs and greatly determines the continuity of the Indonesian Air Force duties. The process of procuring goods and services must strictly comply with the time line, quality standards and volumes in the contract in accordance with the flow map for procurement of goods and services that has been determined as an embodiment of professional performance. However, the Covid-19 pandemic caused the process of procuring goods and services within the Indonesian Air Force to be hampered, because many policies were ultimately changed due to the pandemic conditions. Of course, this has an impact on meeting the needs for goods and services within the Indonesian Air Force. Procurement of goods and services which should be according to the timeline has become inappropriate due to the impact of the Covid-19 pandemic, as well as volumes which have become inconsistent with the flow map of procurement of goods and services within the Indonesian Air Force. Things like this must of course be anticipated, preventive strategies must be implemented to anticipate similar incidents in the future, so that in whatever conditions the process of procuring goods and services must still be carried out.

2. METHODS

The research method used in this research is a quantitative approach. Data processing in this research uses smart-PLS SEM (Partial Least Square - Structural Equation Modeling) software. SEM is a multivariate analysis technique that combines factor analysis and regression (correlation) analysis, with the aim of testing the relationship between variables in a model, both between indicators and their constructs or the relationship between constructs (Fan et al., 2016; Kang & Ahn, 2021).

This research will analyze how big an impact the Covid-19 pandemic has had on the procurement of goods and services within the Indonesian Air Force, where the variables to be analyzed are time line, quality standards and volume. These three variables are important aspects in the process of procuring goods and services within the Indonesian Air Force, so it is important to analyze how big their impact is on meeting the needs for goods and services within the Indonesian Air Force.

The novelty in this research is that the analysis was carried out on important aspects in the process of procuring goods and services within the Indonesian Air Force, where this study has never been carried out by previous researchers, so it is the latest in research.

3. RESULTS AND DISCUSSION

3.1 Results

The following are the results of bootstrapping testing through Structural Equation Modeling (SEM) analysis.

3.1.1 Time line has a positive and significant effect on the need for goods and services within the Indonesian Air Force

From the calculations carried out, a P value of 0.0132 was obtained with a t-statistic value of 6.714, this value is greater than t-table, which means that the first hypothesis is accepted. So it can be said that the time line has a significant

influence on the need for goods and services within the Indonesian Air Force.

3.1.2 Quality standards have a positive but not significant effect on the need for goods and services within the Indonesian Air Force

From the calculations carried out, a P value of 0.198 was obtained with a t-statistic value of -2.433, this value is smaller than t-table, which means that the second hypothesis is accepted. So it can be said that quality standards have a positive but not significant effect on the need for goods and services within the Indonesian Air Force.

3.1.3 Volume has a significant effect on the need for goods and services within the Indonesian Air Force

From the calculations carried out, a P value of 0.216 was obtained with a t-statistic value of 4.876, this value is greater than t-table, which means that the third hypothesis is accepted. So it can be said that volume has a significant influence on the need for goods and services within the Indonesian Air Force.

3.2 Discussion

Procurement of goods/services (procurement) is the process of an organization obtaining goods and services to meet the organization's internal and/or external needs. Therefore, almost all organizations, whether organizations operating in the business sector (profit organizations), the non-profit sector (non-profit), or the government sector, carry out procurement processes to meet the needs in carrying out their respective activities. However, there are differences between these organizations in the process of procuring goods/services, for example differences in funding sources, how to find providers, the importance of services, and so on. Meanwhile, the similarity of the procurement process in these three organizations is the main objective, namely to obtain goods and services at the best value (getting value). (Pelatihan, n.d.)

Procurement is an activity to obtain goods or services transparently, effectively and efficiently according to the needs and desires of users. It can be said that procurement is a broader term than purchasing. (Lenderink et al., 2022) Procurement can be defined as the process of obtaining materials or services in any way: purchasing, renting, credit and borrowing. (Beske-Janssen et al., 2023) Based on Presidential Regulation Number 12 of 2021 concerning amendments to Presidential Regulation 16 of 2018, Procurement of Goods/Services is the activity of Procurement of Goods/Services by Ministries/Institutions/Regional Apparatus financed by the APBN/APBD, the process starts from identification of needs, to handover. working result (Susilo et al., 2021).

To overcome the various weaknesses that exist in the conventional goods/services procurement process, the government has introduced an innovation in the procurement of goods/services in the public sector, namely e-procurement. The importance of e-procurement has been explicitly stated by the government since the issuance of Presidential Instruction No. 3 of 2003 concerning National Policy and Strategy for e-government Development (Nurmandi & Kim, 2015). E-procurement is used in the goods/services procurement process to correct deficien-

cies in the manual procurement process. The implementation of e-procurement is expected to improve procurement performance and cover existing weaknesses. The success of implementing e-procurement is determined by several factors, namely e-leadership, transformation of mindset and action patterns, and infrastructure availability (Yan & Cao, 2022).

The purpose of procurement of goods or services is to obtain goods or services needed by government agencies in sufficient quantities, with quality and prices that can be accounted for, at a certain time and place, effectively and efficiently, according to applicable provisions and processes or in other words to obtain goods that meet the 6 T criteria, namely: right quality, right time, right price, right procedure, right type and right quantity. In government procurement of goods/services there are principles that are not covered in the procurement of goods/services in the private sector which usually only emphasizes efficiency and effectiveness. According to Presidential Decree 54/2010, the principles of government procurement of goods/services are: Efficient, Effective, Transparent, Open, Competitive, Fair/Non-discriminatory, and Accountable.(Artikel et al., 2022)

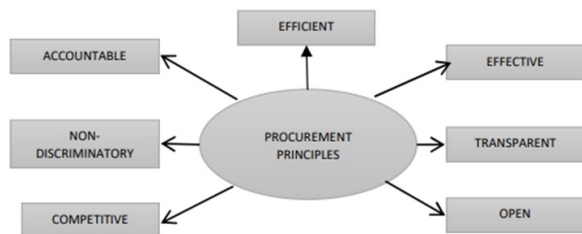


Figure 1. Principles of Procurement of Goods and Services in Indonesia (Fajar et al., 2020; Fiskhinindya et al., 2019)

The government has regulated the procurement of goods/services in handling disaster emergencies. This arrangement is of course made to anticipate urgent needs when an emergency occurs in areas of Indonesia which are very prone to natural disasters. The existence of this rule makes it easier to procure goods/services during disaster conditions by overriding the rules in normal conditions. This is justified based on the principle of the state being in a state of emergency. Procurement of goods/services to handle emergency conditions is carried out by self-management or through goods/service providers. Both methods are implemented with their own mechanisms that make it easier for parties to address needs during natural disaster emergencies. Whether by self-management or through a provider, you must go through the stages of procurement planning, procurement implementation and payment settlement.

4. CONCLUSION

Procurement of goods and services in the Indonesian Air Force environment is an important aspect in supporting performance, therefore all aspects that influence the process of procurement of goods and services in the Indonesian Air Force environment must be really considered, anticipation of all possibilities must also be prepared with appropriate problem solving strategies. appropriately, so that when undesirable things happen it does not interfere with the need for these goods and services. Based on the analy-

sis carried out, it can be concluded that time line has a significant effect on the need for goods and services within the Indonesian Air Force, quality standards have an influence but are not significant on the need for goods and services within the Indonesian Air Force, and volume has a significant influence on the need for goods and services within the Indonesian Air Force. Indonesian Air Force environment. From this conclusion it can be said that the Covid-19 pandemic has indeed had a significant impact on the procurement of goods and services within the Indonesian Air Force. Thus, it is necessary to implement preventive strategies to anticipate similar incidents in the future, so that the need for goods and services within the Indonesian Air Force can still be met in any situation and condition.

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