# SOCIALIZATION OF HR MANAGEMENT TO ENCOURAGE MSMEs TO BECOME SUSTAINABLE AND SUSTAINABLE ENTERPRISES IN MARUNDA

Eri MARLAPA<sup>1</sup>, Tara Farina SRIHADI<sup>2</sup>, Tine YULIANTINI<sup>3</sup>, Mochamad SOELTON<sup>4</sup> <sup>1,3,4</sup>Department of Management, Faculty of Economics and Business, Mercu Buana University <sup>2</sup>Department of Management, Faculty of Economics and Business, Bina Nusantara University \*eri.marlapa@mercubuana.ac.id

## ABSTRACT

The Community Service Program (PPM) with the Socialization of Human Resource Management to Encourage MSEs to Become Sustainable and Sustainable Businesses in Marunda aims to foster community motivation so that they can increase their capacity and ability in entrepreneurship, so that they can provide added value for themselves and the community. MSMEs are able to support our country's economy, because most of the business actors are MSMEs and are able to absorb the workforce. Cilincing Marunda sub-district is one of the sub-districts in North Jakarta which has been designated as a creative economy center area by the DKI Jakarta government. One of these MSME areas is Marunda sub-district as a village that has creative business potential that can support the economy of the surrounding residents. This community service activity aims to increase the competency of MSME human resources in improving the performance of MSMEs in the Marunda sub-district, Cilincing District, North Jakarta. We also adjusted the form of activity to the needs and desires regarding HR management after the pandemic, which of course saw changes in business activities, by socializing HR management among business drivers in a well-planned and well-planned manner to improve the performance and sustainability of MSME businesses. It is hoped that this socialization will make it easier for MSMEs, especially those in the Marunda Flats, Marunda Village, Cilincing District, North Jakarta, to be able to make their business competitive and sustainable. Human resource (HR) competency turns out to be a very important factor in the MSME industry. By increasing HR competency through increasing knowledge and skills, this is the key to improving the performance of MSMEs. HR management in MSMEs also includes recruitment, selection, placement, development, compensation (wages), retention, evaluation, promotion and termination of the employment relationship. Managing human resources for MSMEs is a skill that must be possessed by MSME players.

Keywords: HR Competency, MSME Performance

## 1. INTRODUCTION

Micro, small and medium enterprises (MSMEs) are one of the economic strengths in Indonesia. MSMEs are spread throughout Indonesia, in other words, they are very large in number and are very helpful in the regional economy. MSMEs are the forerunners of large local companies. Based on data from the Ministry of Cooperatives and SMEs, the number of MSMEs currently reaches 64.19 million with a contribution to GDP of 61.97% or 8,573.89 trillion rupiah. The contribution of MSMEs to the Indonesian economy includes the ability to absorb 97% of the total existing workforce and can collect up to 60.4% of total investment (BPKM, 2021). As one of the pillars of the Indonesian economy, MSMEs have a large role as contributors to gross domestic income (GDP) of 61.97% or the equivalent of IDR 8,500 trillion in 2020. MSMEs act as the largest absorbers of energy at 97% in 2020. MSMEs are also the largest absorbers of credit with a value of approximately IDR 1 trillion (BPKM, 2021). In Indonesia, currently the businesses started by the community are mostly micro businesses. Sales are most effective through social media. The Special Staff of the Minister of Cooperatives and SMEs for Creative Economy Empowerment, revealed that the government is launching a digitalization program to encourage increased competitiveness of MSMEs. This program targets 30 million MSME players to enter the digital ecosystem by 2024 (Coordinating Ministry for SMEs, 2021). Sales are most effective through social media. The Special Staff of the Minister of Cooperatives and SMEs for Creative Economy Empowerment, revealed that the government is launching a digitalization program to encourage increased competitiveness of MSMEs. This program targets 30 million MSME players to enter the digital ecosystem by 2024 (Coordinating Ministry for SMEs, 2021). Sales are most effective through social media. The Special Staff of the Minister of Cooperatives and SMEs for Creative Economy Empowerment, revealed that the government is launching a digitalization program to encourage increased competitiveness of MSMEs. This program targets 30 million MSME players to enter the digital ecosystem by 2024 (Coordinating Ministry for SMEs, 2021).

Development of Micro, Small and Medium Enterprises (MSMEs) must be carried out. One of the importan factors in developing a business is carrying out good and focused business planning. One of the factors that makes it difficult for MSMEs to develop is the lack of a well-planned business plan. Having a sustainable business is certainly the dream of every business person. The reason is, currently there are many risks that can threaten business continuity. Whether

it is due to climate change factors or socio-economic conditions. However, it is not uncommon for businesses to not last long due to internal factors or within the business itself.

Currently, not many people realize the benefits of sustainable business, both for companies and human survival. Fortunately, the idea of sustainable business is increasingly being implemented by companies in Indonesia. Even though the figure is still at 40%, the tendency to increase is still there. This idea also raises a glimmer of hope.

Considering the crucial role of MSMEs as one of the pillars of the economy, MSME players must be able to demonstrate quality both in terms of products and human resources. Even though MSME businesses are relatively new and small, there is no reason not to ignore the quality and role of human resources. The contribution of good human resources will have an impact on the success of trademarks, competitive ability and the sustainability of MSMEs in the future. To build quality human resources who are able to contribute optimally, planned HR management steps are needed.

Human resources are not only a means of production but also a driver and determinant of the ongoing production process and all organizational activities (Subowo and Setiawan 2015). Human resources have a big role in determining the progress or development of an organization. Therefore, the progress of an organization is also determined by the quality and capability of its human resources. Thus, human resources are the most important asset in an organization or company, large or small (Muhid 2015). However, in practice it is not easy for organizations or companies to make human resources a useful asset. In reality, there are still many organizations or companies that consider HR only as a means of production.

Considering the importance of human resources in the organization, competency is one aspect that can determine the success of an organization or company (Supriyanto 2015). The high competency possessed by human resources in an organization or company will of course determine the quality of the human resources they have and will ultimately determine the competitiveness of the company itself. Likewise, in Micro, Small and Medium Enterprises (MSMEs), HR competency also plays an important role in the development of these MSMEs

HR Competency Success in an organization or company is largely determined by the quality or ability of its human resources. Therefore, superior human resource competence is needed. Competence according to the Big Indonesian Dictionary (2015, version 1.4) is the authority (power) to determine (decide something); the ability to master grammar abstractly and internally. Another opinion regarding Competency according to Spencer and Spencer, (1993:9); "an underlying characteristic's of an individual which is causally related to criterion-referenced effectiveness and/or superior performance in a job or situation" (Akhmad Syarifudin 2014). Based on this understanding, The author translates that competence is something that underlies a person's personality which causes an interrelationship between the criteria for effective behavior and/or superior performance in a particular job or situation. Meanwhile, according to the opinion of Becker and Ulrich in Suparno (2005:24), competency refers to an individual's knowledge, skill, ability or personality characteristics that directly influence job performance (Runtu, Mandey, and Ogotan 2015). Based on this, competency contains aspects of knowledge, skills (expertise) and abilities or personality characteristics that influence performance.

This Community Service Program targets JAKARTA MSME Groups in the Marunda Village Flat Activity Area. In essence, activities in the form of counseling and provision for MSMEs relate to HR management to encourage MSMEs to become entrepreneurs so that it is hoped that MSMEs can be motivated to determine and seize business opportunities through encouraging the younger generation to become new entrepreneurs as a provision for MSMEs in planning their business in the future which in Ultimately it will increase the income of MSMEs and their families. Through this activity, it is hoped that participants can increase their knowledge and abilities in utilizing employee competencies as a basis for developing potential in improving entrepreneurial abilities.

## **Activity Output**

The expected output from this community service activity is:

- 1. Develop creative and innovative ideas to capture existing business opportunities.
- 2. Increase participants' knowledge
- 3. Increase motivation for MSMEs to develop creativity in creating quality products
- 4. Gradually train people to have entrepreneurial and business competencies.
- 5. Train the community to be able to act in establishing a viable business by taking advantage of existing opportunities.

- 6. Develop human resources who are able to create employment opportunities for themselves and others in accordance with development demands
- 7. The community is able to understand and carry out HR management

# 2. METHOD

Activities to provide material on understanding HR management. Human resource management socialization activities are carried out in 3 stages with details of the process stages as follows:



The Community Partnership Program Implementation Activities are divided into three stages, namely the preparation, implementation, and monitoring stages. The following are the details of the steps to be taken:

### a. Preparation Stage

The stages of preparation carried out before the activity and conveyed to the partner group are: Preparation of extension and training programs, extension programs, and training programs so that the activities carried out become more organized and directed. This program covers all matters of a technical, managerial, and scheduling nature (schedule). a. Preparation of training modules; Management modules include: Technical assistance, handling, and exploration. b. Preparation of training facilities and infrastructure. This preparation includes the provision of training and counseling facilities and infrastructure. c. Field coordination. Field Coordination, d. Socialization of program implementation to the community is carried out at the activity location, namely following the agreed field. This socialization activity will be carried out 2 times so that there is an understanding and common perception about the purpose of this application. The first socialization is non-formal with the Head of the Lurah.

## b. Implementation Phase

1) Entrepreneurship Socialization The second socialization aims to explain in more detail the goals and benefits of entrepreneurship as well as explain the training material (opening a mindset). This socialization was facilitated by the distribution of training modules. 2) Business Project Opening Training. This training is a follow-up to the socialization activities that have been carried out. This training is through direct practice methods in the field. Friends who have been given the existing theory in the module then directly carry out entrepreneurial practices. This activity will be guided by instructors who have carried out the training.

#### c. Evaluation Stage

Monitoring and Evaluation Phase. Monitoring is carried out intensively by the implementing team for each activity to ensure that the implementation of activities can go according to plan. Evaluation is done by monitoring so that if there is a problem it is immediately resolved. Evaluation is carried out at each stage of the activity, while the evaluation design is about how and when the evaluation will be carried out, the criteria, objective indicators, and benchmarks used to declare the success of the activities carried out.

## 3. RESULTS AND DISCUSSION

## Results

- 1. Participants who attended this Community Service received a form of training in the form of providing theory and material for preparing business plans for business continuity with counseling and provision for MSMEs regarding HR management to encourage MSMEs to become entrepreneurs. MSMEs in Marunda Village can also improve the performance and sustainability of MSMEs.
- 2. The theory and material provided include explaining how to prepare a business plan by making a good business plan, how to develop the role of quality human resources for the sustainability of the MSME business, considering

the crucial role of MSMEs as one of the pillars of the economy, MSME players must be able to demonstrate good quality. in terms of products and human resources

3. Providing theory and material about a good relationship between business development plans and quality human resource management.

## Discussion

The main problem is because members of MSME actors in Marunda Flats, Marunda Village, Cilincing District, North Jakarta, do not understand how to prepare business plans and manage human resources properly, so that creative ideas for improving business sometimes cannot be realized properly. The second is about risks- business risks faced can be minimized.

Of these two problems, the first problem can be overcome by means of business planning. All ideas and creativity can be put into business planning and analyzed according to the resources owned and also analyzed whether they are in accordance with market desires. The second problem can be overcome with a well-made business plan so that we can get an idea of the business risks that will be faced so that we can carry out an analysis and create strategies for handling the business risks that will be faced.

## 4. CONCLUSION

The conclusions obtained from the implementation of this community service are:

Participants in this training gain knowledge about how to prepare a good business plan, manage quality human resources to minimize the business risks they will face

## Suggestion

Suggestions for implementing this community service are:

- 1. The choice of service program material should be closely related to the research theme so that there is a common thread connecting the two, namely in the form of special knowledge.
- 2. Training should be held continuously, or at least twice a year so that the material delivered is not just the basics.
- 3. We will continue to intensify this socialization program to increase awareness and understanding about the preparation of business planning and HR management for MSME members in Marunda Flats, Marunda Village, Cilincing District, North Jakarta.

## 5. **REFERENCES**

- Cascio K. Wayne and Awad A. Yulk. (1981). Human Resources Management: An Information System Approach. Virginia: Reston Publishing Company. Inc.
- Castetter, W. B. (1982). The Personnel Function in Educational Administration. New York: Mac Millan Publishing Co. Inc.

Flippo B. Edwin. (1984). The Personnel Management. Mc Graw Hill Book Company.

Haneman H.G. (1981). Managing Personnel and Human Resources: Strategies and Programs. Illinois: Richard D. Irwin Inc.

Randall S. Schuler. (1987). Personnel and Human Resources Management. New York University: Kellogg Borkvard. https://www.liputan6.com/bisnis/read/4100090/e-commerce-ini-bangun-besar-milenial-jadi-new-entrepreneur

https://sman105jkt.sch.id/services/visi-dan-misi/ https://pressrelease.kontan.co.id/release/ Generasi-milenial-danperkembangan-e-commerce https://www.gdilab.com/read/513/generation-millennial-tangkap-peluang-bisnisdi-era-digital/ https://kominfo.go.id/content/detail/16078/kominfo-ajak-mahaUMKM-kembangkan-

entrepreneurship-digital/0/berita satker

https://money.kompas.com/read/2020/10/30/171231526/wamendag-ajak- Generasi-muda-

<u>develop-creativity-as-a-millennial-entrepreneur?page=all</u> https://burokratmenulis.org/peluang-pecepatantechnology-information- Generasi-milenial-untuk-indonesia-masa-depa