

## HUMAN RESOURCES MANAGEMENT STRATEGY FOR BUSINESS SUSTAINABILITY IN MSMEs

Lenny Christina NAWANGSARI<sup>1\*</sup>, Indra SISWANTI<sup>2</sup>, Mochamad SOELTON<sup>3</sup>

<sup>1</sup>*Universitas Mercu Buana, Indonesia*

<sup>\*</sup>*lenny.christina@mercubuana.ac.id*

### ABSTRACT

Human Resource Management (HRM) is very much needed in Micro, Small and Medium Enterprises (MSMEs) because it can improve HR competency through increasing the knowledge and skills of MSMEs. Managing human resources for MSMEs is a skill that must be possessed by MSME players. HR management in MSMEs includes recruitment, selection, placement, development, compensation (wages), retention, evaluation, promotion and termination of employment. Managing human resources for MSMEs is a skill that must be possessed by MSME players. As the global economy develops, business competition is increasingly competitive. Micro, Small and Medium Enterprises have low competitiveness, one of the causes is low product quality, lack of product innovation and limited mastery of technology. MSME products have not been able to penetrate the free market. One of the causes is the quality of goods that is not yet competitive and technological limitations, even though competitive advantage is very important for the sustainability of MSMEs. Business sustainability is a stability of business conditions, where sustainability is a business continuity system that includes growth, continuity and approaches to protect business continuity and business expansion. Business sustainability in MSMEs can be implemented by responding to rapid changes in technological innovation, focusing on long-term interests, producing environmentally friendly products and striving for the preservation of natural resources and efficient use of technology.

**Keywords :** Human Resources Management, Business Sustainability, MSMEs

### 1. INTRODUCTION

Human Resource Management (HRM) is a part of management that focuses more on paying attention to potentials or assets in the form of human resources which function as the main capital in internal improvement of business organizations. The various potentials that exist in human resources like this must be given more attention and managed well by utilizing the great potential that exists more optimally so that it can be better developed to achieve company goals, through HR development strategies so that it can create positive changes for employees.

Human Resources Strategy is planning the quality of human resources so that they can develop in a better direction. This means that having a human resources strategy will help someone to be qualified and competitive for a company. Human resources are very important for companies because human resources determine whether a company will progress or not. In a company, there is a governance system to manage human resources themselves. The governance system is the management that exists in a company, the management in question is Human Resources Management or HRM. Human resource management is a company's effort to organize or manage its human resources by recruiting or accepting employees, training, and providing compensation for employees.

Human Resources Development strategies that can be carried out by companies include providing opportunities for each employee to channel their personal thoughts and ideas. Because in a company, employees also contribute to developing the company or are the driving wheels of a company. So that the ideas and suggestions of each employee also need to be listened to and considered. Apart from that, we also provide awards to employees, which aims to motivate other employees to become better. This will later make a big contribution to the company in developing the company, as well as holding training programs for employees. There are several types of Human Resources training and development that can be carried out. Among them are skills training, retraining or retraining, cross functional training, team training, and creativity training.

Micro, Small and Medium Enterprises (MSMEs) are an alternative for employment opportunities and play a role in encouraging the rate of economic growth where human resources also have an important role in the development of these MSMEs. Human Resource Management (HRM) is very much needed in Micro, Small and Medium Enterprises (MSMEs) because it can improve HR competency through increasing the knowledge and skills of MSMEs. HR management in MSMEs includes recruitment, selection, placement, development, compensation (wages), retention, evaluation, promotion

and termination of employment. Managing human resources for MSMEs is a skill that must be possessed by MSME players.

As the global economy develops, business competition is increasingly competitive. Micro, Small and Medium Enterprises have low competitiveness, one of the causes is low product quality, lack of product innovation and limited mastery of technology. According to data from the Ministry of Trade (2013), the contribution of the MSME sector in Indonesia to export activities is still low. Of the 670 thousand units, only 5 thousand units (2 percent) are able to export their products abroad, so MSME products have not been able to penetrate the free market. One of the causes is the quality of goods that is not yet competitive and technological limitations, even though competitive advantage is very important for the sustainability of MSMEs.

Business sustainability is a stability of the business condition, where sustainability is a business continuity system that includes growth, continuity and approaches to protect business continuity and business expansion. Business sustainability in MSMEs can be implemented by responding to rapid changes in technological innovation, focusing on long-term interests, producing environmentally friendly products and striving for the preservation of natural resources and efficient use of technology. This business sustainability provides opportunities for MSME business actors to increase income and prosperity which can be achieved if MSME business actors have business capabilities. (Faizhal, 2014).

Based on the description of the situation analysis above, partner problems can be identified as follows:

1. Lack of understanding of MSME actors in managing and developing their human resources
2. The human resource management strategies implemented by MSMEs are not yet effective in business continuity to create competitive business competition.

Solutions that can be provided to this problem include providing soft skills regarding HR management concepts and HR management strategies in business continuity to create competitive business competition in MSMEs.

This community service activity aims to provide knowledge to MSME players about human resource management strategies in business continuity to create competitive business competition.

## **2. METHOD**

The community service activities carried out are carried out in the form of training and discussions which are carried out offline.

With the discussion and question and answer method, it is hoped that this activity can provide knowledge to MSME players about human resource management strategies in business continuity to create competitive business competition and it is hoped that the participants can absorb the material presented well so that the learning carried out becomes more effective. and efficient..

The target of this service activity is MSME Owners/Managers in Cempaka Putih District, Central Jakarta.

The method that will be used to achieve the activity objectives is carried out by:

1. Preparation of activity plans by coordinating with related parties and making activity plans
2. Preparation for activities by making invitations for participants, contacting and confirming speakers for activities and making banners
3. Implementation of activities, namely carrying out socialization and educational activities related to HR Management Strategy material in MSMEs for business continuity which is carried out using the lecture method through presentations and holding question and answer discussions
4. Evaluate the implementation of activities, which relate to:
  - a. Preparation of activities;
  - b. Coordination with related parties;
  - c. Material and sources;
  - d. Confirm the presence of the participants;
  - e. Equipment and administration.

## **3. RESULT AND DISCUSSION**

Community Service Activities are carried out in the Al Nizam Mosque Hall, Jl. East Rawasari Raya No. 04 Central Jakarta. The activity will be held on Thursday, July 27 2023.

The event took place from 09.00 to 12.00 WIB with the theme: "Management Education for Achieving Sustainability of MSME Businesses from various perspectives."



Figure 1. Flyer of Information

The resource person in the Community Service activity was the Master of Management Lecturer Team, Faculty of Economics and Business, Mercu Buana University and was attended by MSME owners, MSME Owners/Managers in Cempaka Putih District, Central Jakarta.

The team of lecturers who served as resource persons were:

1. Dr. Indra Siswanti,MM
2. Dr. Ririn Wulandari,MM
3. Dr. Lenny Christina aNawangarsari
4. Dr. Zairil, MM
5. Dr. Aldina Shiratina,MM
6. Loeky Rono Pradopo,SE,MM

Community Service Activities in Cempaka Putih District were attended by 57 participants. The participant profile is mostly women with an age range of over 40 years. The types of businesses for Community Service participants in Rancabungur District are dominated by food and beverage businesses and other services. In Cempaka Putih District there are several SMEs including food, beverage, craft and fashion products. All these products have a certified NIB, product name and other permits.

To promote MSME products in Cempaka Putih District, post-covid, especially food products, the Shubuh Culinary Snacks activity was carried out. Through this activity, MSMEs are invited to promote their business by selling from the morning 03 - 07 WIB every Friday, Saturday and Sunday. This activity is currently focused on business people who make their own products but are confused about how to promote them. These business entrepreneurs are in the form of wet cakes, pastries, food, drinks and snacks that consumers are looking for in the morning. This activity hopes to become a new icon that can compete with the Senen dawn market which is already quite famous in the Senen area, so that residents around Cempaka Putih, Rawamangun, Pulo Mas and surrounding areas can buy food, wet cakes, dry drinks, and type of food in the morning will be shopping at Shubuh Culinary Snacks at Rawasari Cempaka Putih Market.

In Cempaka Putih District there is a Cooperative which has been established since 1977 and serves more than 4,000 members and prospective members. This cooperative has received revolving capital assistance from the loan/financing program of the Ministry of Cooperatives and SMEs.

Based on the results of the questionnaire, MSME business owners in Cempaka Putih District have several obstacles in developing their businesses, namely access to capital, financial management, ability to access markets, lack of Human Resources (HR) and lack of access to technology.

From the obstacles above, MSME actors have the following hopes:

1. Business is increasingly advanced and developing
2. Product sales increase
3. Has many branches/outlets in several cities
4. Increase online sales throughout Indonesia
5. Can employ many people



Figure 2. All Speaker and Participants

Evaluation of the implementation of Community Service Activities :

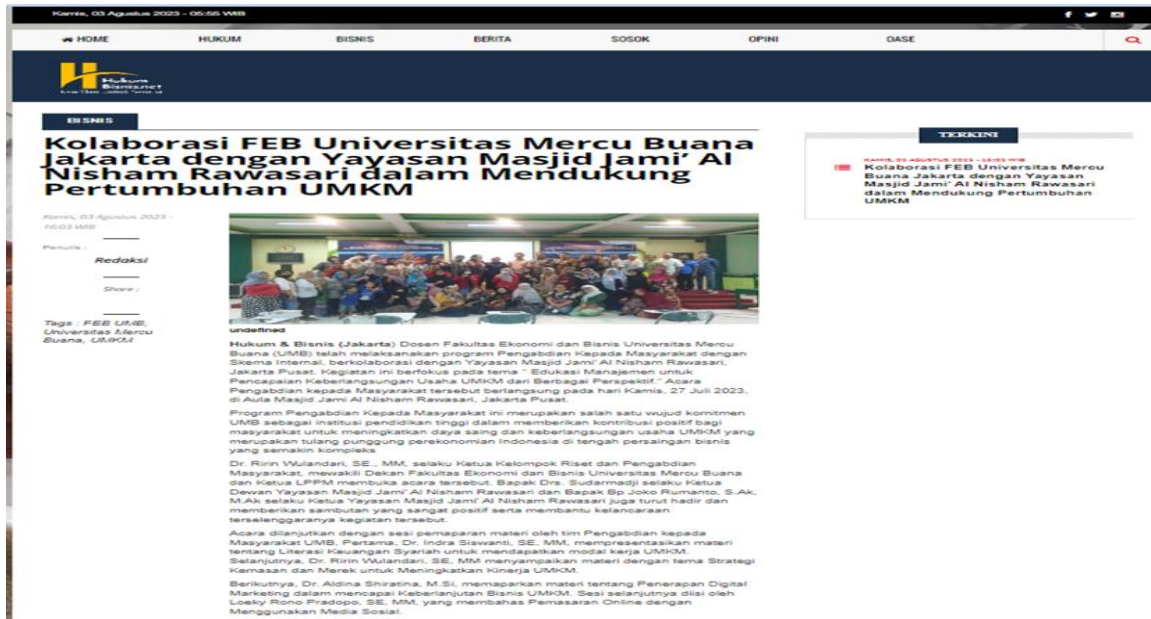
Based on the results of the questionnaire distributed to training participants, according to them the Community Service activities carried out in Cempaka Putih District, Central Jakarta went well, with participants feeling comfortable with the training location including the event facilities.

Regarding the duration of the event, some participants wanted a longer duration so that participants could better understand the material presented by the resource persons. Most participants stated that the resource person had mastered the material presented and according to the participants the material presented was interesting and useful. Participants hope for assistance in running a business, especially product marketing issues. Henceforth, if further training activities are held, they are willing to take part again.

Participants also provided suggestions for improving activities as follows:

1. Further coaching activities need to be held in the form of practice in the next training
2. The delivery time of the material needs to be extended so that it is easy to understand
3. The material presented must be more detailed and in-depth
4. For subsequent activities, the event must be held on time
5. There is further assistance for MSME participants, especially in product marketing

This Community Service Activity has also been published in the mass media via a link <https://hukumbisnis.net/read/8486/Kolaborasi-FEB-Universitas-Mercu-Buana-Jakarta-dengan-Yayasan-Masjid-Jami-Rawasari-dalam-Mendukung-Pertumbuhan-UMKM>



#### 4. CONCLUSION

1. For Academic Advice
  - a. It is hoped that lecturers who are interested in carrying out community service activities related to improving the skills and competencies of MSMEs in Cempaka Putih District will collaborate with several MSME owners through marketing strategies to increase sales of MSME products so that they can increase their competitive advantage.
  - b. Continuous training activities are needed so that mentoring can run more optimally, which is carried out between UMB and partners through community service activities.
  - c. There is a need for further training regarding sustainable business management and expansion of marketing and digital marketing.
2. For the Central and Regional Governments, where collaboration with various educational institutions is very necessary to provide knowledge and skills development training for MSMEs

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