

INCREASING HUMAN RESOURCE COMPETENCY FOR THE SUSTAINABILITY OF MSME BUSINESSES IN PULAU PINANG, MALAYSIA

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ABSTRACT

Sustainability in business is not only about creating processes that support environmental and social sustainability but also about ensuring the longevity of the company itself. Sustainable businesses provide both short-term and long-term benefits, making it essential for MSMEs (Micro, Small, and Medium Enterprises) to develop high-quality human resources (HR). HR competency is crucial for MSMEs to thrive in the face of global competition. This community service project aims to equip MSME owners and employees with the knowledge of HR competency development to enhance performance and implement business sustainability strategies. By improving the skills and quality of their workforce, MSMEs can increase their competitiveness and ensure business continuity. The level of competence possessed by HR will directly influence the overall performance of the MSMEs, as well as their ability to remain competitive in the market. Thus, by fostering professional and competitive HR competencies, MSMEs can improve their operational effectiveness and enhance their chances for sustainable success in a globalized economy.

Keywords : human resources competency, business sustainability, competitiveness, performance, MSMEs

INTRODUCTION

MSMEs in Malaysia have an important role in the majority of total businesses in several sectors, and make a significant contribution to the national economy. The Malaysian government is increasingly aware of the large contribution of micro, small and medium enterprises (MSMEs) to the national economy, so several government programs and incentives have been offered to MSMEs in recent years but with limited impact. The government of Malaysia prioritizes the development of micro, small, and medium-sized enterprises (MSMEs); consequently, its dedication appears to be robust. The contents of the Industrial Master Plan (IMP2) and Industrial Master Plan (IMP3) 2006–2020 also demonstrate a dedication to MSMEs. In the 2020 vision, the development of MSMEs also has an important place. The government seeks to build competitive and resilient MSMEs as part of building equal distribution of economic prosperity and building national competitiveness.

The Government is altering the policies, programs, incentives, and approaches that are presently in place in the Ninth Malaysia Plan and the Third Industrial Master Plan in response to the obstacles that globalization and trade liberalization present to Malaysian MSMEs.. The objective is to enhance the capacity and capability of MSMEs by enabling them to compete with other global actors who provide high-quality products and services at competitive prices, as well as by fostering their mastery of science and technology and the development of sustainable products. Economic activities associated with the manufacturing sector dominate Malaysian MSMEs. How to integrate MSMEs into the manufacturing industry development value chain is the primary objective of the general policy for MSMEs development. Skilled and superior-quality human resources are required to ensure the smooth operation of MSMEs and to ensure business continuity in the context of their accelerating growth. (Kamilia, 2021)

Business sustainability is a business that has short-term and long-term benefits and is sustainable, not just from time to time. In managing resources, especially human resources, which are the basic foundation so that business activities can run well. In the increasingly rapid development of MSMEs, superior quality human resources are needed to help the sustainability of MSMEs. For the business world, the issue of sustainability is not just about creating business processes that ensure environmental sustainability, both natural and social, but is also part of efforts to ensure the continuity of the company's business itself. Business sustainability is a way for a business owner to continue to gain business profits by running his business so that it can survive for a long period of time (Titin Agustina, 2020). Business sustainability strategies can be carried out through innovation and sustainable development (economic sustainability, social sustainability and environmental sustainability) towards sustainable performance. Innovation strategies carried out by Micro and Small Enterprises can take the form of product, process and market innovations which will have an impact on the performance of MSMEs in sustainable development. (Hernita, 2021)

Competency is a collection of knowledge, skills, attitudes and resources possessed by an individual or group of people. In a broader context, competency is the ability of an individual or group to carry out a task or job well and effectively.

Competencies cover various aspects, including technical skills, interpersonal abilities, personality traits, and relevant knowledge and experience. Human Resource Competency is a collection of knowledge, skills, attitudes and resources possessed by HR, including technical abilities, interpersonal skills, leadership and other aspects relevant to the work they carry out. Competency is the ability to carry out or carry out a job or task that is based on skills and knowledge and supported by the work attitudes required by the job (Wibowo, 2017). A person's competence can be influenced by several factors, both internal and external, including beliefs and values, experience, personality characteristics, skills or expertise, motivation, emotional problems and intellectual abilities. For this reason, HR Competency Development is needed to help create human resources in MSMEs that are ready to face global competition. (Sedyastuti, 2021) In the increasingly rapid development of MSMEs, the skills possessed by MSME human resources must be of superior quality so that activities in MSMEs can run well for business continuity. Ultimately, the competitiveness of a company will be determined by the character of its human resources and the high level of competence that its human resources possess. Similarly, HR competency is a critical factor in the development of Micro, Small, and Medium Enterprises (MSMEs). It is anticipated that the performance of MSMEs will be enhanced through the development of professional and competitive human resource competencies.

A comprehensive framework in the form of MSME development policies, a lack of competent labor, a lack of incentives and promotions, a lack of managerial capabilities, low productivity, and a lack of financing are among the challenges and obstacles that Malaysian MSMEs encounter. to compete on a global scale, competition from other producers (e.g., India and China), The inability to confront the challenges of market liberalization and globalization, a skills deficit for new business environments, low productivity and output quality, and limited capacity for technological knowledge management. (Yuyun, 2019)

The partner in this Community Service Activity is the NGO PERMAI which is the Indonesian Community Association in Penang, Malaysia. PERMAI members consist of Indonesian people who live in Malaysia, including expatriates, entrepreneurs, lecturers, teachers, students and workers who live in Malaysia

METHOD

Community service activities are carried out in the form of training and discussions which are carried out offline in Pulau Pinang, Malaysia. Participants have the opportunity to ask questions, so that dialogue can occur between the resource person and the participants. The targets of this training and socialization activity are Indonesian Community Organization MSME entrepreneurs located in Kampung Tuk Subuh, Bukit Minyak, Pulau Pinang, Malaysia. The activity method is carried out through stages in the form of preparing an activity plan by determining the objective of the activity, namely to provide knowledge in improving the quality of HR competency development in increasing the competitiveness of MSME products and providing knowledge about business sustainability strategies to increase the competitiveness of MSMEs at the global level.

The next stage is to identify the targets for Community Service activities, namely TKI working in Malaysia who are members of the Indonesian Community Association (PERMAI) on Penang Island. This is done by coordinating with partners and creating cooperation documents in the form of an MOU agreement between the two parties, in the form of scheduling implementation times, preparing the necessary facilities and infrastructure as well as preparing business actors or MSMEs. The material was presented during the implementation activities, and a question-and-answer session was conducted to allow participants to pose questions about the material. The subsequent phase is the surveillance and evaluation phase. Each time an activity is conducted, the implementation team conducts rigorous monitoring activities to guarantee that the activity proceeds as intended. Evaluation is implemented in conjunction with monitoring to facilitate the prompt resolution of any issues that may arise. The evaluation design includes a description of the process and timing of the evaluation, as well as criteria, indicators of objective achievement, and benchmarks that are used to ascertain the success of the activities. Evaluation is conducted at each stage of the activity. Monitoring takes the form of consistent reports that provide a comprehensive overview of the solutions implemented, the challenges encountered, and the results achieved.

RESULT AND DISCUSSION

This community service activity was held in Pertubuhan Masyarakat Indonesia in Kampung Tuk Subuh, Bukit Minyak, Pulau Pinang, Malaysia on Sunday, 28 January 2024. Tok Subuh is an area in Central S.P., Penang. Tok Subuh is located near the Taman Usaha neighborhood and the suburb of Permatang Tinggi. Tok Subuh is located

close to the Taman Perwira and Kampung Tebing Tinggi neighborhoods. Bukit Minyak Industrial Estate is located in Simpang Ampat, Pulau Pinang, Malaysia.

Resource persons in community service activities, including the Master of Management Lecturer Team at the Faculty of Economics and Business, Mercu Buana University, as well as partner lecturers from PERMAI Pinang, were in attendance, as well as MSME owners in Kampung Tuk Subuh, Pulau Pinang.

The title of this Community Service Activity is : “Gaining Sustainability in Business and Environmental Sustainability from Perspektive of Management Science (Marketing, Human Resources, Finance and Operation.”

Community Service Activities in Kampung Tuk Subuh, Bukit Minyak, Pulau Pinang, Malaysia, attended by 22 MSME owners.

The profile of Community Service participants consists of gender, age and occupation.

Based on gender, the participants were dominated by women with 14 participants and 8 male participants. Based on age, there are 13 people aged 40-50 years, 3 people aged under 30 years, 3 people aged 30-39 years and over 50 years.

Based on occupation, participants have jobs as laborers, migrant workers, self-employed, working at oil refineries, traders, builders, contractors and housewives.



Figure 1. The participants of this activity

The issue of sustainability is not just about creating business processes that ensure environmental sustainability, both natural and social, but is also part of efforts to ensure the continuity of the company's business itself. Business sustainability is a way for a business owner to continue to gain business profits by running his business so that it can survive for a long period of time. In an effort to achieve sustainable performance, business sustainability strategies can be implemented through sustainable development and innovation (economic, social, and environmental sustainability). The performance of MSMEs in sustainable development can be influenced by the innovation strategy implemented by Micro and Small Enterprises, which can take the form of product, process, and market innovation. (Nawangari, 2023)

The description of science and technology that will be presented is as follows:

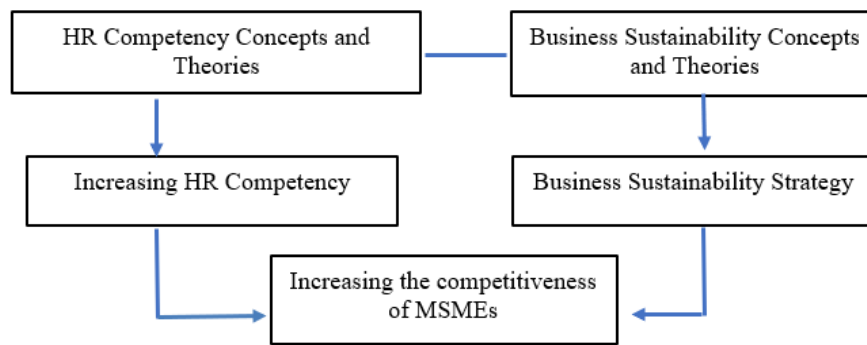


Figure 2. The description of science and technology provided

Human Resource Competency is a collection of knowledge, skills, attitudes and resources possessed by HR, including technical abilities, interpersonal skills, leadership and other relevant aspects. Ultimately, the competitiveness of a company will be determined by the character of its human resources and the high level of competence that its human resources possess. HR competency is also a critical factor in the development of Micro, Small, and Medium Enterprises (MSMEs). With professional and competitive human resource competencies, it is hoped that the performance of MSMEs can improve.

The issue of sustainability is not just about creating business processes that ensure environmental sustainability, both natural and social, but is also part of efforts to ensure the continuity of the company's business itself. Business sustainability is a way for a business owner to continue to gain business profits by running his business so that it can survive for a long period of time. Business sustainability strategies can be carried out through innovation and sustainable development (economic sustainability, social sustainability and environmental sustainability) towards sustainable performance. The innovation strategy carried out by Micro and Small Enterprises can take the form of product, process and market innovation which will have an impact on the performance of MSMEs in sustainable development.

Based on the results of the questionnaire distributed to participants in the form of participants' expectations and satisfaction with the material presented, the methods used, facilities and infrastructure to support activities, the cohesiveness of the Implementation Team, the competence of presenters in providing material, how to package the program, the enthusiasm of the community in participating in activities, the benefits of the Program Training for the community, how much interest the community has in the activity, community satisfaction, whether the service program meets community expectations and the timing of the activity. Based on the results of the questionnaire regarding participants' expectations regarding Community Service activities, the majority of participants have high expectations, both regarding materials, methods, facilities and infrastructure, the Implementation Team and implementation time. According to the participants, this activity was in line with their expectations. Based on the results of the questionnaire regarding participant satisfaction with Community Service activities, the majority of participants expressed satisfaction, both in terms of materials, methods, facilities and infrastructure, the Implementation Team and implementation time. Participants stated that they were very satisfied with the activities carried out because they were very beneficial for the community.



Figure 3. QnA Session

This Community Service Activity has been published through the mass media and published in the Business Law media net, with a link <https://hukumbisnis.net/read/8492/Kolabs-Dosen-Universitas-Mercu-Buana-PERMAI-Lakukan-Pengabdian-Masyarakat-di-Penang> and publish in <https://indoposco.id/nasional/2024/02/01/umb-lakukan-pengabdian-masyarakat-di-malaysia>.



Figure 4. Mass Media Publications

CONCLUSION

It was concluded that the community service activities carried out at the Indonesian Community Organization in Kampung Tuk Subuh, Bukit Minyak, Pulau Pinang, Malaysia on Sunday 28 January 2024 went well with partners namely PERMAI and the community who attended. Profile of participants based on gender, participants are dominated by women, participants are predominantly aged 40 - 50 years. The majority of participants have high expectations, both in terms of materials, methods, facilities and infrastructure, the Implementation Team and implementation time. According to the participants, this activity was in line with their expectations.

Meanwhile, the suggestion for this Community Service activity is that continuous training activities are needed so that mentoring can run optimally between UMB and partners. Apart from that, collaboration is needed with various educational institutions to provide knowledge and skills development training for MSMEs.

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