

The Role of Indonesian Human Resources in Developing MSMEs Facing the Industrial Revolution 4.0

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Abstract : *This study aims to determine the role of Indonesian HR in increasing MSMEs facing the 4.0 industrial revolution. The research method used is a qualitative method with an analytical and explorative descriptive approach. From the results of the research conducted, it was found that the quality of human resources in the Dzul Collection bag industry was less supportive for developing the industry due to the low level of education and lack of innovation to produce quality products. To improve the quality of human resources, effective and efficient steps are needed through sharing knowledge and exchanging knowledge among fellow employees and training. Through these activities, it is expected that the development of this industrial business can be realized, especially in the face of free markets and global economic competition.*

Keywords : *Innovation; HR Competence; Organizational Culture.*

I. Introduction

Business organizations grow and develop not because they have production products that have high competitiveness and are accepted by consumers, but are determined by the quality of the human resources that manage them. Without the support of quality human resources, the amount of capital owned by a business organization will mean nothing. Therefore, the management of business organizations is in desperate need of human resources that are creative, skilled, knowledgeable, mastering technology, competitive advantage, and much-needed experience for the development of the company [1] - [2].

The fourth industrial revolution is the development of the previous revolution with the aim of meeting consumer needs for a quality product. In this generation, especially the manufacturing industry is run by utilizing all digital and electrical information technology (IT), and integrated through the internet where the role of humans is only as a machine operator. For that management business organizations must be able to optimize the quality of human resources in order to have the knowledge and expertise that are in accordance with the needs [3] - [14]. The knowledge and expertise in question is an increase in skills related to information technology and English language skills [15-17].

MSMEs as part of microeconomic businesses based on popular economy are expected to be an effort that can reduce poverty and unemployment in Indonesia. From the description above, the authors are interested in examining more deeply the quality of Indonesia's human resources to develop microeconomic businesses to have competitiveness, especially in the face of the 4.0 industrial revolution. The main problem is the extent to which the role of human resources to develop MSMEs is mainly to improve people's welfare.

II. Review of Literature

2.1. Innovation

To be able to win business competition in the era of globalization, business organizations must be able to make changes mainly related to the type and quality of

products. This can be done through innovation so that the products they produce are able to compete with other similar companies [18]. Innovation will succeed if creative ideas can be realized [19]. To realize innovation into creativity that is produced through products, it requires strong human resources that are full of imagination and able to pour them through a work of copyright [20-24].

From the results of research conducted by Nikolaou et al. [25], Nasiripour et al. [26], Sanders et al. [27], and Bal, Bozkurt & Ertemsir [28] it can be concluded, that innovation develops and can be implemented into a product if supported by human resources who have adequate competence. In addition, the work climate, job description, and employee job satisfaction for the company are also very supportive of the birth of these innovations.

2.2. HR Competence

Small and medium micro businesses are the type of business that is most appropriate to be implemented in Indonesia amid an uncertain world economy. With financial capital that is not too large, MSMEs are able to survive and contribute to the growth of the national economy. To develop MSMEs, of course, they must be supported by strong and knowledgeable human resources to improve their competence. To overcome the high cost of education and the uneven distribution of public welfare, one of the efforts to improve the quality of human resources is through the transfer of knowledge [29].

By having adequate competencies, it is expected that human resources in MSMEs have competitive advantages to compete with other competitors who produce the same goods and can improve company performance [30-33]. From the results of research conducted by Ryan et al. [34], Koys [35], Allen et al. [36], and Boselie & Paaue [37] it can be concluded that the competencies possessed by HR in MSMEs must be well managed and developed by management. This is done in addition to increasing the quality and quantity of production so that they do not intend to move to other companies.

2.3. Organizational culture

The work environment and work culture are two activities that cannot be separated from MSME activities to create a comfortable and safe working atmosphere for employees. This is done so that employees can improve the quality of MSME products amid competitive global competition [38]. Changes in the work environment and organizational culture are usually carried out at the initiative of top management of the relevant business organization [39]. Therefore, organizational culture is the most important aspect that must be done by management to achieve success in the future [40], [41]. From the results of a study conducted by Salaheldin [41], Wu [42], Hofstede [43], and Zhang [44] it can be concluded that the organizational culture is important and has a positive and significant impact on organizational development.

III. Research Methods

This study uses qualitative methods with analytical and explorative descriptive approaches. The object of research is the bag industry located in Kampung Toge, Mekarmulya Village, Pasirjambu District, Bandung Regency. The type of data used is primary data obtained from key informants, and informants by conducting in-depth interviews with information sources. In conducting surveys, researchers use a personal approach (unstructured questionnaire) to obtain information related to the bag industry

business. The data analysis technique in this study uses a qualitative descriptive model in the form of data collection, data reduction, data display, and then conclusions are made.

IV. Results and Discussion

From the results of the research conducted, the data shows that the majority of employees in the Dzul Collection bag industry, both permanent employees and contract employees, can be seen in the following table:

Table 1. Number of Permanent and Non-Permanent Employees Based on Education Level

No	Employee Status	Total	Education			Description
			Senior High School	Junior High School	Elementary School	
1	Permanent employment contract	14 People	2	5	9	Non-permanent employees are used if there is an increase in the number of orders with a specific target that cannot be completed by permanent employees.
2	Temporary contracts	30-50 People	-	-	-	For temporary employees, the level of education is varied and some even drop out of school at the elementary school level

From table 1 above, it can be explained that the human resources possessed by Dhul Collection, both permanent and non-permanent employees, have inadequate education. This is certainly an obstacle for management to improve production and organizational development in general. Therefore, in the face of industrial revolution 4.0, the implementation of work that mostly utilizes information technology can certainly have an impact on the reduced use of human resources, especially those who do not have the competence to face business competition in the global era. This was revealed by Vaidya et al. [3], Pasban & Nojodeh [4], and Garavan et al. [5] which states that in the face of the industrial revolution 4.0 business organizations must have human resources capable of supporting the development of companies by mastering information technology especially to improve the quality of production.

Owner Dhul Collection realizes that employees who work in his company have many shortcomings. To anticipate that the organization he leads continues to move and develop in meeting market needs, the owner strives to create a comfortable working atmosphere and employees can exchange knowledge and experience so that their limited education can be covered by skills and expertise in producing the highest quality bags. This was stated by Flynn and Saladin [40] that business organizations will grow and develop if top management pays attention to the organizational culture within the company.

With the creation of a comfortable and safe working atmosphere, it is expected that the productivity and performance of the organization and employees can increase. In addition, competitiveness in terms of quality and quantity in the form of innovation and creativity of products produced especially with similar companies can bring a positive impact on organizational development and employee welfare. Therefore the development of business organizations will be realized not only supported by human resources who have adequate education, but more than that there is a synergy between fellow employees and employees with management to produce products that can be accepted by consumers and markets in general.

V. Conclusion

From the description above, it can be seen that the factors for developing MSMEs are not only sourced from quality human resources but also must be supported by other factors such as employee innovation and creativity to produce quality products that are acceptable to consumers. The limited level of education possessed by the Dhul Collection bag industry HR is not a major obstacle. This can be addressed by exchanging knowledge, sharing knowledge and supported by organizational management that can manage employee performance through the application of organizational culture and a good work culture.

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