



Training and Human Resource Management Strategies to Promote MSME Growth in Sukabumi

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Article Info	Abstract
<p><i>Keywords: Training, Human Resource Management, Small and Medium Enterprises (SMEs), Performance.</i></p>	<p><i>Training is often regarded as the most common employee performance activity, including in Small and Medium Enterprises (SMEs). The increasing number of SMEs in Sukabumi, contributes to the Sukabumi Regency Government's efforts to reduce unemployment rates since SMEs require a workforce while empowering the local community. Through training, it is expected that SMEs in Sukabumi, can enhance employee performance and the quality of human resources, thereby reducing issues arising from a lack of human resource quality. The purpose of this research is to examine the role of training management in human resource management on the performance of SMEs in Sukabumi. This journal employs a literature review method by gathering journal articles relevant to this research. Based on the literature, training and management support for SMEs are suitable solutions to improve and develop SMEs, as well as enhance human resource quality, given that SMEs represent the largest business group, making it imperative to strengthen SMEs involving many employees through training.</i></p>



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INTRODUCTION

Training is often considered the most common activity in improving employee performance, especially in the Micro, Small and Medium Enterprises (MSMEs) sector (Sari & Kusumawati, 2022). MSMEs are the largest group of businesses in many countries, including Indonesia, so it is important to strengthen this sector through effective training (Fitrayanto Nugraha et al., 2023). Good training has the potential to contribute significantly to the success of MSMEs by improving the performance of their employees (Erawati et al., 2022). In the context of Sukabumi District, West Java, the MSME sector plays an important role in improving community welfare and economic growth. According to data from the Sukabumi District Office of Trade, Cooperatives and Small and Medium Enterprises (Disdagkop UKM), the MSME sector includes more than 24,000 business units, with the majority being micro enterprises. With the increase in the

number of MSME players in Sukabumi, it has also made a positive contribution in reducing unemployment and enabling economic empowerment of the local community.

In a more detailed approach, data from the Sukabumi District Disdagkop UKM shows that out of a total of 24,159 units of MSME players, 21,004 units are micro businesses, 2,737 units are small businesses, and 418 units are medium-sized businesses. This reflects the dominance of micro-enterprises in the MSME structure in the region. An increase in the number of MSME players, especially at the micro level, has a positive effect in employing local communities. MSMEs tend to employ a lot of labor, which in turn can help reduce the unemployment rate in Sukabumi and improve the economic welfare of the community.

The Sukabumi District Government also has an active role in supporting the development of MSMEs as part of efforts to improve the local economy (Iskandar et al., 2024). Government programs supporting MSMEs, such as training and mentoring, can help MSME players improve the quality of their businesses and better understand management principles. Consequently, training becomes one of the essential instruments in driving the growth and sustainability of MSMEs in Sukabumi while providing social benefits through job creation and the empowerment of local communities.

Research on the role of training management in human resource management on the performance of MSMEs in Sukabumi has significant relevance in the context of MSME development (Purbasari et al., 2020). As mentioned earlier, MSMEs are the backbone of the economy in many regions, including Sukabumi. In the face of increasing competition, MSMEs must rely on quality human resources at both the leadership and employee levels to remain competitive and thrive in the market (Nugroho, 2023).

This research is based on the understanding that the quality of human resources positively impacts the development and productivity of MSMEs. Well-trained leaders can direct the business more effectively, while employees who receive proper training will have the necessary skills and knowledge to improve their performance. Therefore, it is essential to understand how training management can play a crucial role in optimizing human resources in Sukabumi MSMEs.

This research will provide valuable insights for stakeholders, including local governments, business organizations, and training institutions, on the importance of investing in training and human resource development in MSMEs. The results of

this study can provide a basis for better strategic and policy planning in supporting the growth of MSMEs in Sukabumi and elsewhere. In addition, the research will also provide a deeper understanding of how MSMEs can manage their human resources more effectively to achieve their business goals and, by extension, contribute to the local economy.

LITERATURE REVIEW

Training Management

Training management is the management of training that includes planning, organizing, implementing, and evaluating. Training is designed to improve employee performance on current or future jobs. Some essential elements in training management include training needs analysis, planning, preparation of training materials, implementation, and assessment. The purpose of education and training is to improve the skills and productivity of employees and to provide them with opportunities to increase their competitive advantage 6. Training evaluation is also an essential component of training management and can be conducted through training program reports, questionnaires, statistical data percentage results, and training program documentation DVDs.

Human Resources

Human Resources (HR) is the department responsible for managing the employee life cycle, including recruitment, hiring, onboarding, training, and supporting employees (Mitsakis, 2014). HR is also responsible for ensuring compliance with labor laws and employment standards, managing employee relations, and creating company policies (Mthombeni & Niemand, 2019). The HR department is focused on recruiting and retaining employees within a company, oversees employee relations, and manages benefit programs (Urbancová & Vrabcová, 2022). Human Resource Management (HRM) is a strategic approach to managing company employees, the work culture, and the work environment so that people can function as effectively and productively as possible (Urbancová & Vrabcová, 2022).

Micro, Small, and Medium Enterprises

Micro, Small, and Medium Enterprises (MSMEs) are businesses that maintain revenues, assets, or several employees below a certain threshold. Each country defines an MSME, and the company's industry is occasionally considered. MSMEs contribute to achieving the 2030 Agenda for Sustainable Development and

the Sustainable Development Goals (SDGs). They account for most businesses worldwide and contribute to job creation and economic development. Formal MSMEs contribute up to 40% of emerging economies' national income (GDP). These numbers are significantly higher when informal MSMEs are included. MSMEs generate the most formal jobs in emerging markets, creating 7 out of 10 jobs. However, access to finance is a crucial constraint to MSME growth, and it is the second most cited obstacle facing MSMEs to grow their businesses in emerging markets and developing countries. Even though MSMEs account for 99% of the industrial fabric and create most jobs, their productivity is extremely low compared to large companies. To redress this situation, the region must develop production chains comprising different-sized companies, especially MSMEs, to boost job creation and wages and reduce its economies' heterogeneity.

RESEARCH METHODS

The research methodology employed in creating this journal primarily relies on an extensive literature review. This comprehensive review encompasses national and international sources and uses the Google Scholar database. The literature review adopts a qualitative approach, emphasizing the exploration of definitions, concepts, and theoretical frameworks pertinent to this journal's subject matter. In addition to drawing insights from journal publications, the researchers have incorporated relevant books as integral sources within the literature review.

The initial phase of the literature search involved using two distinct keywords: "UMKM Sukabumi HR" and "UMKM Training Management." This process yielded an initial pool of 528 journal articles and an impressive 12,600 journal articles. Subsequently, a rigorous identification and screening process was carried out to pinpoint literature that is most pertinent and congruent with the scope and objectives of this research. Among these extensive sources, six select journal articles were deemed to be highly relevant and aligned closely with the research objectives. These six articles are thus employed as the foundation for this journal's critical analysis and discussion.

RESULT AND DISCUSSION

The findings from the journal literature reveal that the development of Micro, Small, and Medium Enterprises (MSMEs) in Sukabumi faces several significant challenges in its execution. One of the prominent issues identified is the need for more work motivation among employees and a deficiency in work discipline behavior within these enterprises. This issue is compounded by the fact

that MSME owners often fail to enforce strict sanctions against employees who violate established rules and guidelines.

This lax approach results in a work environment where employees need more accountability and may repeat the same mistakes, hindering productivity and progress. In a study conducted by (Komalasari & Widiawati, 2020), it was highlighted that training and management assistance can effectively address these challenges and promote the development of MSMEs. Training initiatives can be pivotal in boosting employee morale, enhancing their skills, and fostering a sense of responsibility. Moreover, with proper management guidance, MSME owners can learn to implement effective disciplinary measures and create a conducive working atmosphere. This distinction is also a concern for internet shoppers. At the same time, purchasers who purchase online cannot inspect the items firsthand and must rely on the seller's information, descriptions, and photographs (Naomi & Ardhiyansyah, 2021).

As a result, these interventions contribute to the growth of MSMEs and the overall enhancement of human resources quality within the sector. The research underscores the importance of recognizing that the development of MSMEs goes beyond financial investments alone; it also hinges on cultivating a motivated and disciplined workforce. By implementing training and management strategies, MSMEs in Sukabumi can address the identified issues and work towards achieving their full potential. Additionally, these efforts align with broader economic development goals by improving job performance and contributing to the sustainable growth of the local economy.

The impact of various factors on the performance of Micro, Small, and Medium Enterprises (MSMEs) is a subject of significant interest and research. According to Harini's study in 2012, several factors were identified as having a substantial influence on MSME performance. These factors encompass financial management, marketing strategies, operational efficiency, human resources management, and the attitudes and entrepreneurial mindset of those involved in the business. The interplay of these elements can significantly shape the success and sustainability of MSMEs. Furthermore, Kambey, Levy, and Suharnomo's research in 2013 delved deeper into the role of training and development in influencing the performance of MSMEs.

Their regression analysis revealed that training and development initiatives substantially impacted the overall performance of these enterprises. Numerous studies have also demonstrated that human resource development, a component

that involves enhancing the quality of the workforce through training and skill development, can positively influence employee performance, productivity, and, ultimately, the organizational performance of MSMEs.

These findings emphasize the multifaceted nature of factors influencing MSME performance. Effective financial management, strategic marketing, streamlined operations, and investment in human resource development, including training, collectively contribute to the success and growth of MSMEs. Recognizing and addressing these critical elements can enhance performance, greater competitiveness, and sustainable business outcomes for MSMEs, playing a vital role in local economic development.

The Micro, Small, and Medium Enterprises (MSME) sector in the Sukabumi District holds significant potential, aligning with the strategic planning objectives of the Sukabumi District Office of Trade, Cooperatives, Small, and Medium Enterprises. This sector plays a pivotal role in advancing regional autonomy, particularly in fostering the growth and development of MSMEs. As a result, it has garnered attention as a key driver of local economic prosperity.

However, the study's findings shed light on the challenges MSMEs face in Sukabumi. One pressing issue identified is employee work motivation deficiency, which can adversely affect productivity and overall performance. Additionally, these enterprises need more quality human resources, highlighting the need to focus on skill development and workforce enhancement. Furthermore, many MSMEs in Sukabumi struggle with slow growth, primarily stemming from limitations in working capital and inadequate supporting infrastructure.

These constraints can hinder business expansion and innovation, limiting the full realization of the sector's potential. Addressing these challenges is crucial for the sustainable development of MSMEs in Sukabumi. By enhancing work motivation, investing in human resource development, and providing better access to working capital and infrastructure, the local government and relevant stakeholders can empower MSMEs to thrive, contribute to the economy, and ultimately improve the community's livelihoods. The collaboration between the government and the private sector will play a pivotal role in unlocking the full potential of the MSME sector in the Sukabumi District.

Development and training programs for Micro, Small, and Medium Enterprises (MSMEs) should emphasize enhancing the marketing aspects of their businesses, with a primary focus on improving the quality of their human resources through training initiatives. This perspective is substantiated by research conducted

by Komalasari, Widiawati, and Puteri in 2020, as exemplified by their case study of MSMEs Rumah Tahfidz in Desa Cikidang.

The research findings underscore the importance of establishing SPP-IRT (Household Industry Food Production Certificates) as an integral component of marketing development for MSMEs. SPP-IRT management assistance is identified as a strategic solution for enhancing product quality and development while concurrently improving the proficiency of human resources in business management and governance within the MSME sector. In managing human resources effectively, MSME operators must prepare their businesses meticulously.

This entails evaluating the competencies of each team member and tailoring training programs to address specific skill gaps. A crucial aspect of this process involves selecting human resources thoughtfully and ensuring that training programs encompass a broad spectrum of knowledge and competencies relevant to the assigned roles. This holistic approach to workforce development can empower employees to excel in their respective positions, thereby contributing to the overall success and sustainability of MSMEs.

CONCLUSION

The rise in the number of MSMEs in Sukabumi has contributed positively to the Sukabumi District Government's efforts to combat unemployment and empower the local community. Nonetheless, several challenges have emerged, including employee motivation, work discipline, the availability of skilled human resources, limited access to working capital, and insufficient supporting infrastructure. Developing a Household Industry Food Production Certificate (SPP-IRT) to address these challenges effectively presents a viable solution.

Implementing SPP-IRT can lead to product enhancement and development while also enhancing the proficiency of human resources in business management and governance. Organizing training programs that cater to specific needs is imperative in managing human resource quality. These training initiatives should evaluate each worker's capacity, align training with individual competencies, and offer comprehensive training across various fields of knowledge to equip workers with the skills necessary for their assigned tasks.

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