



# Strategies for Improving Micro, Small, and Medium Enterprises (MSMEs) through Training Programs and Human Resource Management

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Article Info Abstract Keywords: Training Training is often considered the most common employee performance activity, and Micro, Management, Human Small, and Medium Enterprises (MSMEs) are no exception. The increase in MSMEs in Resources, MSMEs Jampang Surade Sukabumi has helped the Sukabumi District Government's program to reduce unemployment because MSME units require labor as well as to empower residents. Through training, it is expected that MSMEs in Jampang Surade Sukabumi can improve employee performance and the quality of human resources to reduce problems that arise due to a lack of quality human resources. The purpose of this study was to determine the role of training management in human resource management on the performance of MSMEs in Jampang Surade Sukabumi. In writing this journal, the literature review method was used by collecting journal articles that are relevant to this research. Based on the results of the literature, training, and management assistance for MSMEs is the right solution in efforts to improve and develop MSMEs and improve the quality of human resources because MSMEs are the largest number of business groups so it is imperative to strengthen MSME groups that involve many employees through training. This is an open access article under the CC-BY-SA license.

#### INTRODUCTION

Training is often considered a common activity in improving employee performance, including in Micro, Small, and Medium Enterprises (MSMEs). As they grow, MSMEs have become the most numerous group of businesses, hence the need for strengthening efforts, including through training for many employees (Iskandar et al., 2023). Effective training is expected to help MSMEs achieve their goals by improving overall employee performance. In Sukabumi, MSMEs are one of the main sectors in improving the welfare and economy of the community.

According to data compiled by the Sukabumi District Office of Trade, Cooperatives and Small and Medium Enterprises (Disdagkop UKM), there are around 24,159 MSME units in the region, with the majority of them being micro businesses. This figure reflects the significant contribution of MSMEs in driving the

local economy, as well as their important role in reducing the unemployment rate in the area (Sari & Kusumawati, 2022). With such a large number, MSMEs are one of the main pillars in Sukabumi's economic development, making training and human resource management programs even more relevant and important in supporting the growth of the MSME sector in the region.

In this context, the importance of having quality human resources in MSMEs is indisputable. Studies conducted by (Upadhyay, 2023) show that the quality of human resources has a significant positive impact on the development of MSMEs and contributes to increased work productivity. This confirms that the role of training management in managing human resources is crucial in ensuring optimal performance and sustainable growth for MSMEs in Sukabumi.

Improving the quality of human resources in MSMEs not only impacts the performance of the company itself, but can also affect the local economy as a whole. Improved skills and competencies of MSME employees are expected to lead to better and sustainable employment, as well as increased competitiveness of MSMEs in an increasingly competitive market. Therefore, investment in training and human resource management is a valuable investment for the future of MSMEs and Sukabumi's economy as a whole.

In the context of implementing training and human resource management programs for MSMEs in Sukabumi, a structured and sustainable approach is required. This involves identifying specific training needs, developing relevant curricula, and providing adequate facilities and resources. Support from local government, educational institutions, and other relevant parties is also critical to ensure the success and long-term impact of the program.

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Given the potential of MSMEs to drive economic growth and reduce unemployment, the government and related parties need to provide adequate support, including in terms of training and human resource management. With coordinated and targeted efforts to improve the quality of the workforce in the MSME sector, it is hoped that it will encourage sustainable business growth and have a positive impact on the local economy and community welfare in Sukabumi.

## LITERATURE REVIEW

# Training Management

The training is a process of shaping and equipping an employee through his knowledge, abilities, behavior, and expertise. Training for an employee is a process of learning certain knowledge, skills, and attitudes so that employees become more skilled so that they can carry out their responsibilities properly according to standards. Training is all activities designed to improve employee performance in the current or future job (Jehanzeb & Bashir, 2013).

Training as an overall activity to provide, obtain, improve, and develop potential, productivity, discipline, and work ethic at a certain level of skill and expertise with qualifications or job levels. Training management is the activity of the training organizer together or through other people, both individuals and groups in achieving organizational or workplace goals (Jha, 2016). Training management is the activity of the training provider together with or through other people, either individually or in groups, in achieving the objectives of the organization or training provider institution and is carried out through the functions of training program management (Gouda, 2015).

### Human Resources

Human resources is a translation of "human resources", and "manpower" (labor) or equalizes human resources with personal (personnel, staffing, and so on). Human resources are the only resources that have feelings, desires, skills, knowledge, motivation, power, and work, and all the potential of human resources to influence the efforts of organizations or companies in achieving goals (Armstrong & Taylor, 2020).

Human resources (HR) are productive individuals who work as drivers of an organization, either in institutions or companies that have functioned as assets so they must be trained and developed. The human resources are "employees who are ready, able and alert in achieving organizational goals" as stated that the main dimension of the resource side is its contribution to the organization, while the main dimension of humans is the treatment of contributions to which in turn will determine the quality and capability of his life (Effendi, 2023).

High-quality human resources are human resources that can create comparative value and also competitive-generative-innovative value by using the highest energy such as intelligence, creativity, and imagination, and not merely using coarse energy such as raw materials, land, water, muscle power, and other.

### **MSME**

Micro, Small, and Medium Enterprises (MSMEs) are independent productive business units, carried out by individuals or business entities in all economic sectors with distinctions between Micro Enterprises, Small Enterprises, Medium Enterprises, and Large Enterprises which are generally based on the value of initial assets (excluding land and buildings), average income per year or the number of permanent workers. According to Law No. 20/2008 on Micro, Small, and Medium Enterprises, the definition of MSMEs is as follows.

Micro Businesses are productive businesses owned by individuals and/or individual business entities that fulfill the Micro Business criteria as stipulated in the law. Small Enterprises are productive economic businesses that stand alone, carried out by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or part of either directly or indirectly by Medium Enterprises or Large Enterprises that meet the criteria of Small Enterprises as referred to in the law.

Medium Enterprises are productive economic businesses that stand alone, carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part of either directly or indirectly with Small Enterprises or Large Enterprises with a net worth or annual sales as stipulated in law.

#### RESEARCH METHODS

The method used in writing this journal is a literature review, which is a national and international literature search conducted using the Google Scholar database. The literature review uses a qualitative method by focusing on definitions, concepts, and theoretical adjustments to the discussion in this journal writing, and in addition to using journal literature, researchers also use books as sources used in literature reviews. In the initial stage of the literature search, 528

journal literature using the keyword "UMKM Sukabumi HR" were obtained, and 12,600 journal literature using the keyword "UMKM Training Management" will then be identified. Of this amount, 6 literature journals are considered relevant and to this research.

#### **RESULTS**

Based on the results of the journal literature obtained, the results show that the development of MSMEs in Sukabumi still has several problems in its implementation. The problems that arise are caused by a lack of work motivation in employees and a lack of work discipline behavior, where MSME owners do not strictly sanction employees who violate the rules, making employees work at will and repeat the same mistakes. Training and management assistance for MSMEs is the right solution in efforts to improve and develop MSMEs and improve the quality of human resources.

Financial management training, marketing, operations, human resources, entrepreneurial attitudes and mentality are factors that have a significant effect on the performance of MSMEs explained that based on the results of regression analysis, it can be concluded that training and development have a major influence on the performance of MSMEs, and several studies have shown that human resource development which includes improving the quality of human resources through training affects employee performance, productivity and organizational performance.

The MSME sector in Sukabumi District has considerable potential, this is in accordance with the strategic planning of the Sukabumi District Office of Trade, Cooperatives, Small and Medium Enterprises which has an important role in the implementation of regional autonomy, especially in the development of MSMEs. The results of the study explained that MSMEs in Sukabumi have problems caused by a lack of work motivation and a lack of quality human resources. In addition, most of the slow growth of MSMEs in Sukabumi is due to limited working capital and lack of supporting infrastructure.

Therefore, it can be explained in a complex manner about the problems that arise in the development of MSMEs in Sukabumi which are divided into two factors, namely:

- 1. Internal Factors: Internal factors are classic factors or problems of MSMEs, namely:
  - a. Lack of work motivation in employees and lack of work discipline behavior.

- b. Limited quality of human resources, due to lack of development and training for MSMEs.
- c. Lack of knowledge about development in the business world.
- d. Lack of understanding for product marketing strategies and processes, making it a little difficult to access marketing functions, especially in information access to marketing functions, especially in market information and networks.
- e. Constrained business capital for some MSMEs, thus utilizing a relatively small amount of their capital.
- 2. External Factors: External factors are problems that arise from the developers and coaches of MSMEs, such as the solutions provided are not on target and there is no control of the MSME program.

Development and training for MSMEs in the identification analysis and description of business development must pay attention to marketing aspects that build the quality of human resources through training, such as research conducted with a case study of MSMEs Rumah tahfidz Desa Cikidang explaining that to develop marketing aspects it is necessary to arrange SPPIRT or Household Industry Food Production Certificates. SPP-IRT management assistance is the right solution in product improvement and development as well as to improve the quality of human resources in business management and governance.

In managing the quality of human resources, MSME actors must prepare their businesses well, such as how the ability of each human resource in managing MSMEs is run. The selection of human resources needs to be considered, such as through training on how the capacity of each worker, training workers tailored to competencies, and training in all fields of science so that workers can do the type of work assigned.

#### CONCLUSION

The increase in MSMEs in Jampang Surade Sukabumi has helped the Sukabumi District Government's program to reduce unemployment because MSME units require labor as well as to empower residents. However, several problems arise such as a lack of work motivation in employees and lack of work discipline behavior, lack of quality human resources, limited working capital, and lack of supporting infrastructure. The development of a Household Industry Food Production Certificate (SPP-IRT) is the right solution in product improvement and development as well as to improve the quality of human resources in business management and governance. In managing the quality of human resources,

training needs to be held, such as how the capacity of each worker, training workers tailored to competencies, and training all fields of science so that workers can do the type of work assigned.

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