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Human Resource Development Strategy In The Digital Era For Msmes In Jambi City

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Abstract

This study aims to identify human resource development strategies in the MSME sector in Jambi City. The method used in this study is descriptive qualitative, involving 8 MSMEs with 16 research subjects. The research technique used was observation and interviews. The data analysis technique used was interactive data reduction. The results show that the main challenges in human resource management in the MSME sector are rapid and precise technological changes and the need for digital skills. Strategies implemented to address these challenges include ongoing training, employee recruitment with the required digitalization standards, and performance evaluations conducted to assess the level of employee performance effectiveness. This study also revealed a significant relationship between the human resource management strategy used and the level of business productivity and sustainability of the MSME sector.

Keywords: MSMEs, digitalization, human resource development

INTRODUCTION

The increasingly advanced development of digital technology has become one of the drivers of transformation in various aspects of life, including in the digital business world, which not only changes the way companies operate but also demands the readiness of human resources who are able to adapt to these changes. In this context, the ability of human resources to understand and utilize digital technology is one of the important factors in determining the success of a business, especially for micro, small and medium enterprises or MSMEs.

MSMEsitself has a strategic role in the Indonesian economy. MSMEs are absorbers of labor and drivers of the local economy, but in facing the digitalization era, MSMEs are still faced with various challenges, especially related to the quality of human resources. Many phenomena that occur in the field show that there are still many MSMEs

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who have not optimally utilized digital technology, both in the marketing aspects of business management and service to consumers. This is inseparable from the limited digitalization competencies possessed by MSME business actors, low technological literacy and their lack of understanding of the importance of digital transformation.

Besidesthan that, the strategy in developing human resources in MSMEs is often not designed systematically and sustainably, efforts to increase the capacity of human resources are informal and not fully in accordance with the needs in the current digitalization era. This condition can indicate that there is a gap between the demands of digitalization technology and the readiness of human resources owned by MSME actors, therefore a deeper understanding is needed regarding how human resource development strategies are implemented and what obstacles are faced in implementing them.

This research takes the theoretical basis of the concept of human resource development and also the concept of MSMEs in developing this strategy is taken from the understanding of the importance of a long-term plan in achieving the goals of a business in 2018. Human resources are the main asset in a Pasaribu 2025 business. Meanwhile, MSMEs are independent businesses that are not subsidiaries or branches of large businesses and are managed independently by business actors according to Law Number 20 of 2008. As well as research from (Fadhil Ar Royan et al. 2024) which examines research on Human Resource Development Strategies in the Digital Era in E-Commerce in Pekanbaru City. The results of this study reveal that the implementation of this strategy is able to increase work efficiency, productivity, and employee adaptability to technological changes. However, this study also found obstacles in the form of low digital literacy of some workers and resistance to change, so that management support and strengthening of adaptive organizational culture are needed to optimize HR development in the digital era. However, this study lacks in-depth discussion regarding the comparison between companies that have implemented digital-based HR development strategies with those that have not used them and has not specifically examined the influence of external factors such as government policies and the development of digital infrastructure on the success of the strategy.

The importance of this research can be understood through a context of changes in a business that has been faced by several MSME businesses in Jambi City. The success of MSMEs in utilizing business potential is not only determined by technology but also by the ability of human resources as business actors and also employees in the business who can design an effective development strategy.

The crucial reason for this research is because of the need for knowledge and understanding related to how HR development strategies can be applied in the current digitalization era that can be applied to local MSME businesses in Jambi City. With the changes that occur continuously, a problem arises about how MSME actors develop

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human resources to be able to compete in the current digitalization era, especially regarding the quality of competency due to the lack of literacy regarding the operation of technology and business strategies which are the biggest challenges faced by every business today.

To find a solution to this problem, research is needed to identify human resource development strategies according to the needs of MSME businesses. With this research, it can produce solutions that can be used as a guide for developing MSME business human resources in Jambi City to increase business competitiveness in today's digital market.

This research is expected to contribute to human resource development for MSMEs in Jambi City. It is also hoped that this research can serve as a reference for MSMEs in developing human resources to strengthen their operational performance and increase competitiveness in the digital era.

LITERATURE REVIEW

Human Resources

Human resources are individuals who are part of an organization who have an important role as a driver to achieve organizational goals (Pasaribu, TT 2025) and Human resources (HR) are the main assets in an organization, especially in public service institutions that are responsible for fulfilling the basic needs of the community, where the active involvement of HR is very essential because they act as designers, implementers, and determinants in achieving organizational goals (Astuti et al., 2024)

Development strategy

Development strategy is a planned effort that applies behavioral science, reflection, and self-analysis to develop a system (Ari. et al. 2022). Business development strategy is a determination of the direction of a company that requires decisions and encouragement from each business line to produce products or services (Rahma 2012).

MSME Business

A small business is an independent or stand-alone productive economic enterprise owned by an individual or group and not as a branch of a main company (Ayodya, RW 2020). Micro, Small and Medium Enterprises (MSMEs) are the foundation of the Indonesian economy that can increase the workforce and reduce unemployment amidst the competition in finding work. (Suci, YR 2017).

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RESEARCH METHODS

The research method in this study is descriptive qualitative, namely research that seeks to build meaning about a phenomenon based on the views of the participants, where researchers investigate stories collected from certain individuals narratively (cresswell 2023). with research subjects of 8 MSME business owners and 8 human resources employees with a total of 16 research subjects. Data collection techniques in this study are observation and interviews with data analysis techniques using the Miles and Huberman model, namely by data reduction, data presentation and drawing conclusions and this analysis is carried out interactively.

RESULTS AND DISCUSSION

In MSMEs, human resources are constantly faced with a number of challenges, which require an expansion of development strategies to address the rapidly changing dynamics. Observations revealed several obstacles to developing human resources in MSMEs, including the ever-advancing technological changes that currently require MSMEs to acquire skilled human resources.Human resources who are competent with technology, who are able to create well-systematized business services, are able to see market opportunities in the digital era and have a competitive advantage. It can be clearly seen that digitalization is one of the main factors that poses a challenge for human resources to carry out work in MSME businesses. The digitalization era brings rapid changes so that human resources must have the ability to adapt quickly and appropriately. In addition, the need for MSME businesses for digitalization skills is increasingly urgent and its relevance to technology.

The human resource development strategy used to face the challenges of this digitalization era includes various approaches in recruiting human resources that are carried out in accordance with technological skills, continuous training carried out on human resources and conducting performance evaluations that are always implemented to determine changes in each workforce as a method for the sustainability of competent and reliable human resources in the digitalization era and this requires Improvement of a responsive performance management system is also carried out to measure and manage employee contributions effectively.

In the application of technology in HR management, an essential factor in development strategies. This study shows that MSMEs in Jambi City have begun to use technology such as AI in making business continuity plans, data analysis for customers and the use of technology in managing employees, the use of technology in customer service and digital payments. This use makes business operations more efficient and helps business actors in making more appropriate decisions for employee development.

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Integration between HR management and the use of digital technology is a key component in the development strategy of MSMEs. Cooperation of human resources within MSMEs in the process of developing and implementing technological solutions forms a necessary strength to ensure that employee development is in line with technological advances and this collaboration can also help in creating a strategy for formulating solutions that are in accordance with HR needs to create a work environment that is adaptive and sensitive to technological developments.

The results of interviews with MSME business owners and employees show that there are several challenges and opportunities faced by human resources.Humans who are the focus of researchers on this challenge, such as changes in business culture and increasing capabilities that will be digitalized, which will be discussed in depth in this discussion, will also include an opportunity in the form of innovation through technology to increase efficiency and productivity in providing services to customers.

When researchers see the relevance of the same strategy with the digital context, a comprehensive analysis is carried out to assess the extent to which strategies in human resource development can reflect the digitalization skills needed by MSME businesses. This solution is a key to the success of development strategies and supports Digital transformation from the effectiveness of efforts that have been carried out to become a focus of evaluation in discussing and comparing conditions before and after implementing strategies in human resource development in the field of digitalization technology which provides an understanding of the means of its impact on achieving the goals of the business. The data and matrices collected can be used as evaluation results to what extent the improvements have been achieved and how the human resource development strategy has been optimized continuously. From the results of the interview, it can be concluded that employee transformation in the digitalization era has a significant effect on work quality ranging from accuracy and speed of service to business competitiveness and with the management of HR increases business innovation, and this has an impact on business operational efficiency, increasing employee productivity and consumer satisfaction with fast and precise service. In the study of Wulandari, PK, & Kuswinarno, M. (2024). stated that HR development strategies can increase cooperation between employees thereby improving organizational performance and also the opinion of Firdaus, MAA, & Kuswinarno, M. (2024). Which states that HR development strategies through digitalization innovation can increase business competitiveness. The opinion of Lestari, MI (2023) states that human resource development has a significant effect on employee productivity. In this case, MSME business owners also said that the success of human resource development strategies in the digital era is not only determined by internal company factors, there are also external factors that play a role in this matter, such as government policies that support the progress of MSME businesses that are

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ready to conduct training in increasing knowledge by creating seminars on business and HR management with the help of technology in the digitalization era, in addition to support from regulations in creating cooperation betweenfellow entrepreneurs who pave the way for MSMEs to enter the global market through e-commerce and the main thing is the availability of infrastructure to create an ecosystem environment so that HR management and development strategies in MSME businesses can run optimally and have an impact on productivity, profit and competitiveness of MSME businesses for sustainable MSME growth.

Thus, overall, this research highlights the challenges and strategies for developing human resources in the MSME sector, emphasizing the effectiveness of human resource management with the dynamics of technology in the digitalization era and the factors that influence it, both from internal and external factors. The results of the research can be concluded that a significant human resource development strategy can have a good influence on the sustainability of the MSME sector business.

CONCLUSION

The MSME sector business, especially in Jambi City, which continues to grow all the time, HR has a very important role in facing various and dynamic challenges. The observations made by researchers revealed that there are several special challenges faced by MSMEs in terms of HR management, including very rapid technological changes, the need for HR skills in the field of digitalization and adaptation to business models that can compete in the global market. The results of this study identified that there is a significant relationship between the strategies carried out by MSMEs in developing HR on the productivity and sustainability of MSME sector businesses.

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