

The Need For Economic Doctrine HR (HR Concept Identification Of HR Values, Supply And Demand For Manpower And Characteristics Of Educated Personnel, HR Development Efforts)

Pirmanuddin ¹

¹ UIN Sulthan Thaha Saifuddin Jambi

Kasful Anwar US ²

²UIN Sulthan Thaha Saifuddin Jambi

As'ad Isma ³

³ UIN Sulthan Thaha Saifuddin Jambi

Corresponding author :pirmanuddin1019@gmail.com

Abstract

Human resources are the potential contained in humans to realize their role as adaptive and transformative social beings who are able to manage themselves and all the potential contained in nature towards achieving life welfare in a balanced and sustainable order. Human resource management (HRM) talks about how to design a management system to ensure that human talent is used effectively and efficiently to achieve organizational goals. Humans are the core competence in the organization. Human Resources (HR) or human resources contain two meanings. First, HR implies work effort or services that can be provided in the production process. Second, HR concerns humans who are able to provide services or work effort. Being able to work means being able to carry out activities that have economic value, namely that these activities produce goods or services to meet the needs of society. Physically, the ability to work is measured by age. In other words, people of working age are called labor or man power. The bigger the challenge. Starting from the compatibility of the skills obtained, the demands of the world of work, now the links and matches have not been built. Many educational institutions may still use a curriculum that industry may no longer use," he said. INDEF also views that the presence of Vocational Training Centers (BLK) in the regions has not helped much in absorbing labor. Data

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owned by INDEF shows that out of a total of more than 7 million unemployed people in 2018, there were 1.18 million people who had received job training at BLK.

Keywords: Human Resources, Economy, Education Personnel

INTRODUCTION

Humans are social creatures who instinctively want to live in groups. Manifestations of this group life include the emergence of social organizations or institutions in society, such as in the fields of government, economy and society. Along with that human resource management is actually also carried out. Organizations have various kinds of resources as 'inputs' to be converted into 'outputs' in the form of goods or services. These resources include capital or money, as well as technology to support the production process, methods or strategies used to operate, people and so on. Among these various kinds of resources, human or human resources (HR) is the most important element.

As with other organizational elements, human resources must be managed properly, it can even be said that organizational management is basically a human management process. All organizations, regardless of their type, size, function or purpose must operate with and through people. The focus of HRM in organizations is people and how to motivate people to become productive people, this is said by (Stewart & Brown) “ *Human resource management focuses on people in organizations. Of course, people are a major component of any organization, so it follows that organizations with more productive employees tend to be more successful. Employee productivity increases when organizations hire and motivate employees effectively. In addition, good human resource practices create more satisfied employees, who in turn work harder to satisfy customers* ” (Stewart & Brown, 2011).

Compared with the other elements, it can be said that humans are the most dynamic and complex elements. Often the efficiency of an organization's implementation depends on the management and utilization of its people. That is why every manager must be able to work effectively with humans, and must be able to solve various problems related to the management of human resources. The management of human resources in this organization is known as human resource management.

A very important milestone in marking the need for human resources is the emergence of the Industrial Revolution. The development of the Industrial Revolution has shown a very



strong influence on the development of management in general and human resource management in particular. The two main pioneers of the so-called “scientific management movement” were Frederick W. Taylor in the United States and Henri Fayol in France. The impact of the Industrial Revolution not only changed the method of production, but also the handling of human resources that was different from before, the birth of various companies using technology made it possible to produce goods on a large scale by utilizing a large number of human workers.

With the growing number of large-scale organizations, top managers felt that they were no longer able to handle worker welfare issues on their own, so a “welfare secretary” was needed to assist them. In other words, it can be stated that the “welfare secretaries” are actually the pioneers of the existence of specialists who handle human resource management (Priyono, 2010).

RESULTS AND DISCUSSION

Over time, thinking about management continues to experience development. Daniel Wren in (Sulastri, 2014), divides the evolution of management thinking into four phases, namely: 1) early management thinking, 2) scientific management era, 3) social human era, 4) modern era. The era of scientific management was marked by the development of management science from engineers, such as Henry Towne, Frederick Winslow Taylor, Frederick A. Hasley, and Harrington Emerson. Scientific management, or in English is called scientific management, popularized by Frederick Winslow Taylor in his book entitled *Principles of Scientific Management* in 1911. In his book, Taylor describes scientific management as “the use of the scientific method to determine the best way to complete a job. In management, Taylor believed that workers must be carefully and carefully selected and after that they need to be given adequate training to be able to perform at their best. He views that the interests of workers, managers and company owners must be aligned (Syafarudin, 2015).

This era was also marked by the presence of administrative theory, namely the theory of knowing what managers do and how to establish good management practices. In the 20th century, a French industrialist named Henry Fayol put forward the idea of five main functions of management: planning, organizing, commanding, coordinating, and controlling. Fayol's idea was then used as a framework for management science textbooks in the mid-1950s, and has continued to this day.



Management Concept

The forms of management practices that are common in organizations are human resource management, production and service management, cost management, financial management and marketing management. Even so, it certainly does not cover all forms and existing management practices. Before further explaining what is meant by human resource management, it is first necessary to know at a glance the meaning of management and the meaning of the word human resources. The term human resource management has two variables, each of which has a complementary meaning, namely the word "management" and the word "human resources". Sedarmayanti defines management as a process consisting of a series of activities: planning, organizing, moving and controlling/supervising, which is carried out to determine and achieve the goals set through the utilization of human resources and other resources (Sedarmayanti, 2016).

Management is an activity of managing various resources, both human and material, in order to carry out various activities of an organization to achieve goals optimally. Therefore, management is an activity that must exist in the organization and is the task of the leader in moving various existing resources towards the goals to be achieved. Furthermore, the term human resources is defined as the integrated ability of the intellect and physical abilities possessed by individuals, their behavior and characteristics are determined by their heredity and environment, while their work performance is motivated by the desire to fulfill their satisfaction. Human resources are assets in all aspects of management, especially those concerning organizational existence (Benjamin et al, 2017).

Based on the definitions of "management" and "human resources", Human Resource Management - hereinafter abbreviated as HRM - is a follow-up process of the overall management processes and functions which include planning, organizing, directing, and controlling human resources in an organization. . HRM deals with people who are ready, willing and able to contribute to stakeholder goals. HRM pays attention to the welfare of people in the organization in order to work together effectively and contribute to the success of the organization.

Human Resource Management is a way of managing the relationship and role of resources (power) owned by individuals in an efficient and effective manner and can be used optimally so as to achieve goals (goals) with organizations, institutions, companies, employees and the community . HRM also talks about workforce planning and procurement activities,



workforce selection and placement, development through education and training, integration and maintenance (including compensation), assessment of work results and career development and dismissal or termination of employment and audit personnel (Abdul, 2014).

HRM is a system that has several functions, policies, activities or practices including recruitment, selection, development, compensation, retention, evaluation, promotion, and others. Meanwhile, Edy Sutrisno said more specifically that, "HRM is an activity of planning, procuring, developing, maintaining, and using HR to achieve goals both individually and organizationally".

From some of the definitions above, it can be concluded that human resource management (HRM) is an activity or management system that organizes and manages human resources who are ready, willing, and able to make a good contribution in order to work together effectively to achieve goals both individually and organizationally.

Identification of HR Values

Today, the latest developments view HR not as a mere resource, but rather as capital or assets for institutions or organizations. Because of this, a new term emerged outside of HR (Human Resources), namely HC or Human Capital. Here HR is seen not only as a major asset, but as an asset that is valuable and can be multiplied, developed and not as a cost (cost). So valuable is the value of human resources, that company expenditure related to human resources must be seen as an investment in human capital. For example, training programs that aim to increase employee value in the future must be considered as an investment (Benjamin et al, 2017).

Human capital can be interpreted as the economic value of human resources related to their abilities, knowledge, ideas, innovation, energy and commitment. Human capital is a combination of knowledge, skills, innovation and a person's ability to carry out their duties so that they can create a value to achieve goals. The formation of added value contributed by human capital in carrying out their duties and work will provide sustainable revenue in the future for an organization (Endri, 2010).

The goal of HRM is to strive for human resources to be able and willing to work optimally in order to achieve organizational goals. Humans will be willing and able to work well when they are placed in positions and positions that are in accordance with their interests and abilities, and when they can fulfill their various needs by doing that work. This means that a manager must be able to place people in positions that match their interests and abilities by not forgetting to



consider efforts to meet their needs. In short, it can be said that human resource management is very closely related to the motto “*The Right Man On The Right Place At The Right Time* (Endri. Every human being has their own uniqueness. Characters that are different from one another make them unable to be uniformed. When entering the topic of discussion about teamwork, the division of labor based on their abilities is absolutely necessary. To achieve its goals and avoid human resource management mistakes, the principle of *the right man in the right place is needed* . In a simple sense , *the right man in the right place* is placing people according to their expertise. A team will be able to move faster if the people in it take care of things according to their expertise.

This concept is very easy to say but the reality is not always easy to implement. There are still many employees in the office who feel they are not suited to the tasks given or superiors who are disproportionate in giving assignments. This shows that the idea of the right man in the right place was even added in the right time, not a trivial matter. The nature of human resource management is very different from natural resource management, in which human resource management is largely determined by the nature of human resources which are always developing (dynamic) both in quantity and quality. Meanwhile, the absolute amount of natural resources is not growing.

HR management is based on the concept that every employee or staff is a human being, not a machine and not merely a business resource. Therefore, HR management in practice must pay attention to HR management principles, including; 1) the principle of humanity, 2) the principle of democracy, 3) the principle of The Right Man is The Right Place, 3) the principle of Equal Pay for Equal Work, 4) the principle of unity of direction, 5) the principle of unity of command, 6) the principle of efficiency, 7) the principle effectiveness, 8) principles of work productivity, 9) principles of discipline, 10) principles of authority and responsibility (Zainal et al, 2015).

Human existence in the organization has a very vital position. The success of an organization or business company or educational institution is largely determined by the quality of the people who work in it. Changes in the environment that are so fast require human ability to capture the phenomenon of these changes, analyze their impact on the organization and prepare steps to deal with these conditions. From this statement, the role of human resource management is not just administrative, but instead is more directed at how to be able to develop the potential of human resources to become a productive, creative and innovative workforce.



Supply and Demand for Labor and Characteristics of an Educated Personnel

The definition of labor often does not only concern what a person does, but also concerns the conditions underlying the work, as well as the social evaluation given to the work. This condition can be seen in the work life of the Indonesian people who have experienced colonial history for quite a long time, as a result of which the Indonesian people are said to be considered coolies.

According to Law no. 13 of 2003 concerning Manpower Article 1. Labor is everyone who is able to carry out work both inside and outside the employment relationship in order to produce goods and services to meet the needs of society. Labor and non-labor are only distinguished by age limits, which are different for each country. The workforce is the population who is at the working age limit, where the working age limit for each country is different. Working age is the population aged 15 years and over who are considered capable of carrying out work, looking for work, going to school, taking care of the household and other groups such as retirees.

Labor can be divided into several types which can be seen through 2 main aspects, namely aspects of ability and quality, or based on the status of workers. When viewed from the ability and quality of workers, the workforce can be grouped into; 1) educated workforce, such as teachers, doctors, architects and others. This workforce gains ability in a field by taking formal education, 2) skilled workforce, such as truck and bus drivers. This workforce is a workforce that requires expertise in a certain field through training or work experience, 3) uneducated & unskilled workforce (rough workers).

The labor issue is a very complex and big problem. Good working conditions, high output quality, decent wages and the quality of human resources are issues that always arise in discussions about the workforce in addition to issues of industrial relations between workers and the business world. It can be said that employment in Indonesia is still facing several imbalances, both structural and sectoral. then one of the targets that need to be pursued is to increase the efficiency of the workforce.

Based on information submitted by (Rahadian, 2019) through the economic.bisnis.com news channel, "In 2018, the unemployment rate in Indonesia was recorded at 7,000,691 people or 5.34% of the total workforce. This number decreased slightly compared to the open unemployment rate in 2017 of 7,040,323 people or 5.5% of the total workforce. The number of unemployed in 2017 also only decreased slightly compared to the 2016 figure of 7,031,775



people, or 5.61% of the total class. The same thing can be found in a row if you trace the unemployment rate over the last 6 years.”

The ability to see changes in technology and workforce skills needed for the future is also limited. Then, the collaboration between Academician, Business, and Government (ABG) has not been very effective. To overcome the problem of the bottleneck of employment, Apindo suggested that the government be more active in building ABG cooperation in every strategic sector. Another opinion was expressed by the Daily Chairperson of the Indonesian Fintech Association (Aftech) Mercy Simorangkir. He considered that currently, the need for workers with skills in the digital field has not been matched by the availability of workers in that sector. Aftech revealed that the largest gap in the number of workers in the financial technology (fintech) sector is to meet the needs of data analysts, back-end programming, user experience design, and risk management. “The need for skilled workers in the fintech industry is growing rapidly. The need is current and requires a short term solution,” said Mercy to Bisnis.

In the last few years, it has been claimed that dozens of polytechnics or vocational schools have been revitalized by the government. This step requires polytechnic graduates to have competency certificates in addition to diplomas in order to graduate. The MEME program also allows polytechnic students to work before completing their studies to obtain a Diploma IV degree. Later, working students can return to continue their education at the polytechnic according to the last level they took. Demand in an economic context is defined as the maximum amount of a good or service that a buyer wants to buy at every possible price in a certain period of time. In relation to labor, the demand for labor is the relationship between wage rates and the number of workers desired by employers to be employed. So that the demand for labor can be defined as the number of workers employed by an entrepreneur at each possible wage level in a certain period of time (Refika & Maimun, 2007).

This is different from consumer demand for goods and services. People buy goods and services because the goods provide utility to the buyer, while entrepreneurs employ someone because they help produce goods/services to be sold to consumers. Therefore, the increase in employers' demand for labor depends on the increase in consumer demand for the goods they produce.

Such a demand for labor is called a derived demand. The demand for labor is an employer's decision related to the interests of the company, namely related to the optimal level of employment opportunities desired by the company. To meet these optimal employment



opportunities the company will respond to changes in wages, the cost of capital and other inputs, the level of company sales and technological developments. The demand for labor means the relationship between the wage rate and the amount of labor that employers wish to employ. This happens due to several factors, namely: 1) Changes in wage rates, 2) Changes in demand for end products by consumers, 3) Prices of capital goods fall.

In addition, the demand for labor is also categorized in two ways, namely the demand for labor in the short term. In the short term, constant capital. Due to constant capital, in the short term the company cannot increase or decrease the business scale or buy or sell equipment. Companies can only increase production by increasing labor and raw material inputs. Furthermore, the demand for labor in the long term, in the long run, capital is not constant. Companies can expand or decrease the scale of business and equipment, companies can make changes to all inputs besides changes in labor.

In the demand for labor there is also a curve where the curve can experience changes or shifts, changes in labor demand can be described by shifts in the labor curve. An increase in the demand for labor will shift the demand curve for labor to the right, while a decrease in the demand for labor will shift the demand curve for labor to the left. This is influenced by several factors, namely: 1) Economic growth, 2) Increased productivity, 3) Changes in the way of production. The demand for labor must be balanced by the ability of the workforce itself to match the supply provided by the company, while the company wants optimal productivity in the company, so the workforce must adapt to the interests of the company. Therefore, the workforce must improve their quality, both soft skills and hard skills. Changes in wage rates will affect the high or low production costs of the company. If the assumption of rising wage rates is used, the following things will happen; An increase in the wage rate will increase the company's production costs, which in turn will also increase the price of the production unit. Usually consumers will give a quick response if there is an increase in the price of goods, namely reducing consumption or even not buying at all. As a result, many products are not sold and producers are forced to reduce their production.

The decline in production targets resulted in a reduction in the required workforce. The decrease in the number of workers needed due to the effect of a decrease in the scale of production is called the scale effect or scale effect. Entrepreneurs prefer to use capital-intensive technology for their production processes and replace labor with capital goods such as machines and others. This condition occurs when wages rise assuming the prices of other capital goods



remain constant. The decrease in the number of workers needed due to the replacement or addition of the use of machines is called the labor substitution effect, both the production scale effect and the substitution effect will produce a form of a labor demand curve that has a negative slope.

CONCLUSIONS

The term human resource management has two variables, each of which has a complementary meaning, namely the word "management" and the word "human resources". Management as a process consisting of a series of activities: planning, organizing, moving and controlling/supervising, which is carried out to determine and achieve the goals that have been set through the utilization of human resources and other resources. Recent developments see HR not as a mere resource, but rather as capital or assets for institutions or organizations. Because of this, a new term emerged outside of HR (Human Resources), namely HC or Human Capital. Here HR is seen not only as a major asset, but as an asset that is valuable and can be multiplied, developed and not as a cost (cost).

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