

IMPROVING THE PERFORMANCE OF MSMEs THROUGH HUMAN RESOURCE COMPETENCE IN KOTA PARI VILLAGE, SERDANG BEDAGAI REGENCY

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ABSTRACT

UMKM/MSMEs (Micro, small and Medium Enterprises) are a field that represents the realm of entrepreneurial endeavors that are open to all levels of society. These MSMEs play an important role in strengthening the Indonesian economy, considering that they function as the main entrepreneurs who are able to absorb labor. The focus of this research is to determine the importance of the role of MSME Human Resource Competencies in improving the performance of Terasi MSMEs located in Kota Pari Village, Pantai Cermin District, Serdang Begadai Regency. Using a qualitative descriptive approach, this research attempts to reveal the dynamics at play. Terasi MSMEs in Kota Pari Village face challenges from internal factors, one of which is human resources, including business issues, educational level and experience. This causes them to be hampered in understanding and mastering the innovations and technologies that are currently increasingly developing, which can actually improve the performance of their MSMEs.

Keywords : Human Resource Competence, MSMEs, MSME Performance.

INTRODUCTION

Indonesia is a country with 17,508 islands with various opportunities and abundant natural resources. One of the abundant natural resources is sea level and fisheries. Good and sustainable management of the resources of our seas, oceans and small areas will be able to provide a better life for the Indonesian people, especially the people of the maritime region. The potential of water and land resources is the basis for the development of various economic activities, therefore the coastal area is one of the areas that can support the country's sustainable development.(Kusnadi, 2017). As for fishing areas, of course they cannot be separated from coastal areas. The coastal region is a place that has many advantages. The different uses of coastal areas are influenced by many important ecosystems such as fish, shrimp, crabs and other species that are beneficial to humans. In coastal areas, fisheries are mostly managed by MSMEs. Among the management of marine products is the manufacture of shrimp paste or terasi. Shrimp shrimp paste is one of the marine products obtained through fermentation and industrial processes that is most popular with business people, because it is easy to make and the raw materials are easy to obtain. 20 of 2008 article 6 (UU no. 20 of 2008). Micro businesses are business entities that Seeing the scale of their business, shrimp paste entrepreneurs can be categorized into

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small and household industries. Businesses that have a significant role in the Indonesian economic system, both in terms of job creation and number of businesses (Dr. E. Diwayana Putri Nasuiton, 2023). The definition of small industry and household follows the definition of MSMEs based on Law no have a maximum net worth of IDR 50,000,000.00 (fifty million rupiah) excluding land and buildings where the business is located; or have annual sales proceeds of no more than IDR. 300,000,000.00 (three hundred million Rupiah). Small businesses are business entities that have net assets of more than IDR 50,000,000.00 (fifty million rupiah) up to a maximum of IDR 500,000,000.00 (five hundred million rupiah); does not include the land and buildings where the business is carried out; or have annual sales of more than Rp. 300,000,000.00 (three hundred million Rupiah) up to a maximum of IDR. 2,500,000,000.00 (two billion and five hundred million rupiah) (Isradi et al., 2022).

Serdang Bedagai Regency is one of the regencies located on the East Coast of North Sumatra and directly borders the Strait of Malacca in the North. Serdang Bedagai Regency has large fisheries and marine potential because it consists of a coastal area with a coastline of 55 km and includes 6 sub-districts, namely Pantai Cermin, Perbaungan, Teluk Mengkudu, Sei Rampah, Beringin and Bandar Khalifah sub-districts. Based on government data from a national survey (BPS), this can be shown by the development of capture fisheries production which has increased significantly if the utilization of all marine resources can be optimized. Kota Pari Village is one of the villages located in Pantai Cermin District, Serdang Bedagai Regency, North Sumatra Province. The Kota Pari Village area is surrounded by many beaches, one of which, according to ancient stories, was a place where stingrays congregated. Because this village borders directly on the Strait of Malacca, Kota Pari village has become a marine tourism destination that offers a beautiful beach atmosphere and serves a variety of food from the sea. One of the products produced by the people of Pari Kota village is making shrimp paste or terasi made from kecepai shrimp which has a distinctive aroma where these products are still managed in a traditional way that has been passed down from generation to generation. The shrimp paste processing industry is one of the industries that business people in Kota Pari Village are interested in because the process is simple and the raw materials are easy to obtain. The target of increasing product sales and the results achieved is of course the goal of a business where the business managed in the future can grow and expand widely and be able to compete with other businesses. The people of Kota Pari Village who have MSME businesses in making shrimp paste or terasi, from a management perspective, are still not optimal in implementing their business management. The problem found in terasi industry is human resources. Judging from the lack of quality of human resources for Terasi MSMEs from the educational aspect, both formal and informal education. This greatly influences business management, which ultimately results in slow business development. Human resources are a very important factor and influence the performance of a business or organization in achieving its objectives.

Human resources contain reason, feelings, knowledge, skills, motivation and work (Helmita & Naim, 2012) . No matter how good the current technological design and information development, available capital and sufficient materials, if it is not accompanied by human resources, then business objectives cannot be achieved, (Adamy,

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2016) for example, there has been no creativity in processing shrimp paste. MSMEs in Kota Pari Village are currently facing problems from an internal perspective, such as a lack of capital, then being hampered by collateral problems, if they want to submit an application to be given capital assistance from financial or credit institutions, (Utama & Ilahiyah, 2018). Because collateral is part of the conditions for applying for credit. Limited technological knowledge, the quality of human resources is not yet optimal both in terms of management and production techniques which are still simple. Good competencies come from competent Human Resources (HR). The low quality of human resources results in low levels of productivity and participation in the world of work and in the production process. Success in an organization or company is very much determined by the ability of its human resources. (Prof. Dr. Wibowo, S.E., 2016). Competency is the ability to carry out or perform a job or task that is based on skills and knowledge and supported by the work attitudes required by the job. Every business organization or company certainly has the desire to lead to progress and development so that employee performance increases. (Harras et al., 2020). The skills referred to here are a person's competency to perform various tasks. If someone does not have good skills, it is difficult to achieve organizational goals because skills have a significant impact in the organization. Because the skills of an employee can influence the progress of the organization/company.

Performance is a set of administrative activities that provide an output picture that has succeeded in fulfilling its duties and responsibilities in the form of success or failure in the field of public responsibility. Employee performance is the product of quality and quantity work achieved by employees in fulfilling their duties in accordance with the responsibilities assigned to them, and individual performance is a combination of abilities, efforts and opportunities that can be assessed from their work. (Putri et al., 2022). Competence reflects an individual's ability to carry out a job correctly and have excellence based on matters relating to knowledge, skills and attitudes. (Malikhah et al., 2023). From a macro perspective, human resources are the overall potential of energy available in a country, thus reflecting the total workforce of a country/region and At a micro level, human resources are a group of people who meet their living needs by working in certain work units/organizations, both government and private. (Ramadhan Harahap, S.E., S.Psi, M.Si, Dr. Sri Rahayu, S.E., 2023). In general, UMKM problems can be divided into two parts, namely internal and external problems. Problems that occur internally in MSMEs cause obstacles in business development, low quality of human resources which results in weak organization and management, lack of information from the business relations community making it difficult to access the market, technology problems. Meanwhile, external constraints outside of MSMEs themselves include the business environment, inadequate facilities and infrastructure, regional autonomy, the impact of free trade and the revitalization of modern markets. Therefore, action and improvement efforts are needed to help Terasi MSMEs develop rapidly. Based on the background above, this research aims to help the community, especially MSMEs making shrimp paste, to find out the role of human resource competence in improving the performance of Terasi MSMEs in Kota Pari Village. Methodologically, as a descriptive analysis, this study is based on secondary data analysis and a review of key literature.

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METHOD

This research uses a qualitative method with a descriptive design. This method is useful for getting real data that occurs in the field when conducting research so that after getting the data it can then be analyzed. Apart from that, descriptive research is also used in this research because it is considered very appropriate so that the author can describe various sources of data and information. The procedures or steps taken in this research, in general, were carried out through several stages that referred to opinions. Qualitative research methods involve using qualitative data, such as interviews, documents and observation, to understand and explain social phenomena. Methods generally include source data with observations and observations of respondents, interviews and questionnaires, documents and the impressions and perceptions of researchers. Qualitative research methods involve collecting personal experience data, introspection, stories about life, interviews, observations, interactions and visual texts that are significant for people's lives. Researchers choose research phenomena with the aim of identifying key informants who are in accordance with the essence of research which is carried out in a planned, natural manner in order to obtain better accuracy. This is done by collecting as much data as possible from informants (M. Manullang, 2014). In this research, data analysis was carried out by collecting data, condensing data, presenting data, drawing conclusions or verifying, data related to the role of MSME human resource competencies in improving the performance of terasi MSMEs and supporting and inhibiting factors in improving MSME performance. Analysis of data while in the field in this research uses Miles and Huberman model analysis (Matthew B. MILES, 1984).

RESULTS

Human resources are the most important asset in an organization or company large or small scale. In reality, there are still many organizations or companies that consider human resources only as a production tool. Based on the description and profile of existing terasi MSMEs, it can be said that the background conditions of terasi MSMEs in the village of Pari City are more varied among small entrepreneurs than micro entrepreneurs, where economic conditions are the main reason, but there are some MSME entrepreneurs who have more realistic backgrounds. by looking at future business prospects with the problem of limited capital. Most small entrepreneurs have a reason to continue running their business because there are still various business opportunities open and a large and promising market share in the future. Some small entrepreneurs believe that this is based on hereditary factors as a legacy passed down from the family, who are equipped with skills, learned from their parents so that in the end they can open up new job opportunities for residents around the neighborhood where they live. Although there are still some entrepreneurs who have reasons because they no longer have opportunities in other fields for various reasons.

DISCUSSION

Kota Pari Village, Pantai Cermin District, Serdang Bedagai Regency, through its MSMEs, is able to become a dynamic and economically stable area. MSMEs are known for their products which are unique and have their own characteristics, especially Terasi

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MSMEs in Kota Pari Village. Experts state that quality human resources are a success factor for a business or organization with the competence of each existing employee. Making a person a competent worker requires time and long process stages that are consistently consistent without stopping. Researchers are very interested in exploring this regarding the role of human resource competencies currently possessed by Terasi MSMEs. MSME owners explained that many businesses only think about profits without having good human resource competency. This is what causes many MSMEs to ultimately close their businesses. Weak competence, especially regarding sales that attract consumers' buying interest, prioritizing product quality, product innovation and technology. This is supported by research, That human resource competency has an influence on the performance of MSMEs, and (Fadilah et al., 2020). Human Resources are a factor that plays a very important role, so far the skills of MSME owners have not received more attention in the field of human resource management, considering their low level of education. Meanwhile, MSMEs must be able to manage various internal and external factors well. Human resources are the main key, starting from business owners and workers within MSMEs. Human resource management in MSMEs is the same as in companies. Human resource management in MSMEs also includes recruitment, selection, placement, development, compensation, retention, evaluation, promotion and completion of work relationships, these are important skills that MSME owners must have. By paying attention to knowledge as well as skills in human resource management, it will certainly produce good human resources and have an impact on increasing the performance of MSMEs themselves. The same as research (Nurfa'izin et al., 2015) the higher and better the internal factors, one of which is human resources, the performance of MSMEs will increase.

CONCLUSION

Based on the explanation above, it can be concluded that improving the performance of terasi MSMEs through human resource competence in Kota Pari Village, Serdang Bedagai Regency is an aspect that determines the success of MSMEs. Human resources competency has a significant impact on improving the performance of MSMEs, by increasing the knowledge, skills and abilities of existing human resources to run the business optimally. Micro, Small and Medium Enterprises' knowledge of competence and performance is still not optimal, especially in running a business, therefore it is hoped that the village government will more often hold performance management outreach and service activities for Micro, Small and Medium Enterprises in Kota Pari Village in collaboration with institutions or agencies other. This research only looks at one business at a time in the micro, small and medium enterprise category, so it is hoped that other researchers can conduct further research in different villages with a greater number of micro, small and medium enterprises with different research variables.

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