

Human Resource Competency Development Strategy in Creative Industry to Improve Competitive Advantage (Study on Craft Creative Industry in Kupang City)

*Maria C.B Manteiro, Maria C.B Manteiro, Amram Rohi Bire
Business Administration Departemen, State Polytechnic of Kupang
Kupang, Indonesia

Maria.manteiro@pnk.ac.id, enosKabu@pnk.ac.id, amram rohi bire@pnk.ac.id

Abstract - The development of the creative craft industry in Kupang City is inseparable from several problems, both from the internal and external environment of the industry. The purpose of this study is to obtain a description/mapping of human resource competencies and a description of the behavior of business actors in the handicraft industry in Kupang City, To develop the concept of a human resource competency strategy in the local handicraft creative industry to increase industrial competitiveness.

The method used is a descriptive survey method, and the subjects studied are 15 local craft industry business actors in the city of Kupang, which have the following characteristics: (1). local handicraft industry entrepreneurs, (2). know clearly about the variables studied. The results of the study indicate that the creative craft industry in Kupang City, seen from several aspects, has a fairly good competence. The 4 core competency strategies that need to be improved are technical competence, financial competence, marketing competence and human relations. such as handicraft entrepreneurs are involved in various technical trainings and digital-based production management, marketing and finance, building cooperative relationships and links and mats with all parties so that in the end they can achieve competitive advantage. In addition, the supporting competencies that need to be improved are understanding, knowledge and professionalism and ethics of creative industry entrepreneurs in running a business so that in the end they can achieve competitive advantage.

Keywords: *Competence, HR, competitive advantage, creative industry*

I. INTRODUCTION

Kupang City is the capital city of East Nusa Tenggara Province. As It is one of the cities in Indonesia that has the potential for creative industries, which if it is managed properly, it will become one of the sources of per capita income for local people. One of the creative handicraft industries that is developing in Kupang City is the craft of woven fabrics, and accessories, woven from palm leaf shoots, Sasando replicas, sandalwood crafts, Tilangga and others. These types of crafts has its own role because they have national and international market potential, and also includes local wisdom in the use of production factors and local raw materials.

According to the infographic for the distribution of creative economy actors (BE KRAF) in 2019, the total number of creative economy actors in East Nusa Tenggara, Kota Kupang is the largest with a total of 52.57%.; and creative economy statistics in NTT Province's creative exports increased from \$2,089,664.00 in 2015 to \$2,859,402.00 in 2016.

The development of the creative craft industry in Kupang City is inseparable from several problems, both from the industry's internal and external environment. The increasingly fierce competition in handicraft products due to the entry of domestic and foreign competitor products has not yet been responded to by implementing relevant business concepts by the local craft industry. From the internal side, lack of the readiness of human resources in technology, as well as the lack of

creativity and innovation and the limited skills of trained personnel. For example, in the ikat industry, most of the craftsmen have chosen a passive position in terms of access to information, design changes are rarely made if consumers do not directly ask the craftsmen to do so. In the product mix concept, for example, those related to packaging and branding as well as patents. These things can affect the price of a product even though the product quality is high but is not perceived as "better" by the market, it will definitely experience difficulties in marketing.

Considering the problems that exist in the handicraft industry in the city of Kupang, a strategy is needed for developing the competence of human resources (craftsmen / business actors) in the right craft so that they can achieve competitive advantage.

The objectives of this study are: 1) To obtain a description/mapping of human resource competencies and a description of the behavior of business actors in the handicraft industry in Kupang City 2) To develop a strategic concept of human resource competence in the local handicraft creative industry to increase competitive advantage .

II. LITERATURE REVIEW

Human Resource Development

According to Noe in Royfaidah (2013) Human Resources development strategy is a plan on how the quality of human resources owned is able to develop in a better direction, increase work ability, skills and have good loyalty to the organization or company.

Competency

Spencer and Spencer (1993) state that there are 5 characteristics of competence, namely: Motive (motive), consistently is what drives (motivates individuals to do something)

1. Innate characteristics (traits), physical characteristics and reactions that are consistent with what is happening in the environment
2. Self-concept, self-worth, the way an individual sees himself
3. Knowledge, information that a person has about something
4. Skills, the ability to carry out physical and mental tasks.

Knowledge and skills tend to be more visible and relatively easy to develop through training programs. Innate motives and traits that are in the circle in the middle are hidden factors that are very difficult to assess and develop. The last is self-concept, Nerada in the middle circle, meaning that attitudes, values and self-worth can be changed through training and psychotherapy or positive

development experiences, although it takes a long time.

According to Suryana (2006), he argues that to measure entrepreneurial competence there are 4 (four) main abilities needed that are balanced in order to achieve business success, including: 1) Technical competence, namely having competence in the field of design in accordance with the form of business that will be chosen. 2) Marketing competence, namely having competence in finding suitable markets, identifying customers and maintaining the company's survival. 3).Financial competence, namely having competence in finance, purchasing, sales, bookkeeping and profit and loss calculations. 4).Human relation competence, namely competence in developing personal relationships, such as the ability to relate and establish relationships with partners.

According to Gordon (1998) there are 6 supporting aspects contained in the concept of competence, namely knowledge, understanding, abilities, values, attitudes and interests.

Creative Industry

According to Alexandy (2019), the creative industry is an industry that relies on skills, talents and creativity that have the potential to improve the welfare of life.

Competitive Advantage

Cravens (1999) states that the source of competitive advantage is superior skills, resources and control. Superior skills enable organizations to select and execute strategies that will differentiate the organization from the competition. Skills include technical, managerial and operational abilities.

Previous Research

According to study by Suryanan&Rofaidah R (2015) entitled Strategy for increasing the competence of human resources in the creative industry based on local raw materials as an effort to increase industrial competitiveness, the handicraft industry in Bandung Regency, seen from several aspects, has a fairly high competence.

Meanwhile, the study of M.Alexandry and Chan entitled Competitive Advantage of the Creative Industries, reveals that there are millions of competitors who will become a real threat that can kill business.

Development of HR Competencies for creative industries.

III. METHOD

Data collection technique

The source of data of this study were primary and secondary data. Primary data were collected through observations during a particular time range "one shoot" / cross sectional and interviews.

Secondary data collection is done through a questionnaire.

3.2 Data Analysis Techniques

Data were analysed using a qualitative descriptive method, which is a method that seeks to describe and interpret the research object as it is. The results of the report describe the state of the object or subject under study or systematically describe the facts and the characteristics of the objects and subjects studied appropriately. (Riduwan, 2010)

Population and Sample

The population in this study were entrepreneurs of creative handicraft businesses. Sampling was determined using purposive method. The selected respondents are respondents who have the following characteristics: (1). local handicraft industry entrepreneurs, (2). know clearly about the variables studied. Qualitative research usually uses non-probability sampling (including purposive sampling, Riduwan, 2010:63). In this study, the sample size was 15 local handicraft businesses in the city of Kupang.

NO	Type of business	Business unit Creative Craft	Business Location
1	Tenun Ikat (kain tenun)	6	Kec.Oebobo, Kota Raja, Maulafa
2	Miniatur Sasando dan Tiilangga	1	Kec. Maulafa
3	Kerajinan kayu cendana	1	Kel Oebobo
4	Ayaman dari pucuk daun lontar	2	Kec. Kota Raja, Sukumana,
5	Tas, sepatu dan asesoris dari dari kain tenun ikat	4	Kec. Oebobo,Kota Raja , Maulafa
		15	

Figure 1. Sampling was determined using purposive method

IV. RESULT

The condition of the creative craft industry in Kupang City

Analysis of Internal and External Factors of the creative handicraft industry in Kupang city

Data analysis in this study includes analysis of internal factors and analysis of external factors of the creative industry of the craft sector in Kupang city, among others:

- 1) Strength consists of:
 - a. The product has its own characteristics and uniqueness
 - b. handmade processes according to market tastes,
 - c. marketing network out of the region is starting to build,
- 2) Weaknesses are:
 - a. Still using simple and manual equipment
 - b. production process planning is still not maximized and is still determined based on market needs and consumer orders,
 - c. Limited working capital
 - d. Limited knowledge in technology and MIS, E-commerce
- 3) Opportunities are:

- a. The buying interest of consumers from outside the region is quite large,
- b. government support in introducing products through tourism exhibitions and building cooperation.

4) Threats are:

- a. emergence of competing products with the same model design
- b. rising prices of raw materials,
- c. and many new business sectors that make craftsmen choose other professions.

Competency of human resources in the creative industry of local handicrafts in the city of Kupang

Technical Competence

Technical Competence, namely having competence in the field of design according to the form of business to be chosen. The results of the calculation of the average answer are in the high category with a total average value of 79.05%.

The competence in this study is the competence of entrepreneurs or handicraft entrepreneurs in designing and producing handicraft products of good quality and in accordance with the wishes of customers and consumers. For example, for **woven** products and other accessories, according to your request, you can order the model, shape, picture and color according to your taste. As for some craft products, the designs are in accordance with the original products, such as replicas of Sasando and Tiilangga (musical instruments and hats from Rote Ndao district).

Marketing Competence

The average score for the marketing competence indicator is 77.53 which is in the medium category. This can be seen from product marketing that is still selling or marketing directly or through agents but not all local entrepreneurs use E-Commerce websites to market products. The problem with the handicraft industry in the city of Kupang is the lack of knowledge of technology in marketing these products.

.Financial competence. Based on the results of the average calculation, it can be seen that 77.88 are included in the medium category. Financial competence owned by entrepreneurs or craftsmen in the city of Kupang is still very limited, it can be seen from the absence of technology in the form of financial applications (in/out). The obstacles they encounter in financial management are limitations in knowledge of profit/loss financial management and skills in mastering financial application technology.

Human Relations Competence. Based on the results of the analysis, the average score obtained is 78.37 which is in the high category. The competence of handicraft entrepreneurs in the city of Kupang in maintaining and establishing wider

cooperation with outside parties, maintaining relationships with consumers and business partners.

Encouraging and Inhibiting Factors in the Development of the Handicraft Industry in Kupang City

1. Driving Factors in the Development of the Handicraft Industry

a) HR factor is high technical skill competence in making products

b) In the aspect of Production Factors, the ability to manage raw materials, convenience and availability of raw materials,

c) Marketing Factor

Product marketing is done directly or through intermediaries to make the product survive in the market.

d) Financial Factor

The handicraft industry mostly uses their own capital without any assistance from the government or the private sector. business that has existed for generations and is family capital.

2. Inhibiting Factors in the Development of the Handicraft Industry

Based on the statement above, it can be concluded that the barriers to human resource factors are a problem in the craft business. Limited knowledge of management and technology in creating and marketing products. such as the lack of online promotion media based on E-Commerce, this happens because of the limited knowledge of business actors in following technological advances. Lack of information about the market is also a constraint.

Barriers in the aspect of the production process are equipment that is still simple and not all handicraft industries have clear production stages and standard quality standards.

Human Resource Competency Development Strategy in the Creative Craft Industry as an Effort to Improve Industry Competitiveness

Strategies that can be used for the creative industry of the local handicraft sector in the city of Kupang are the development of competencies in the technical fields, marketing, financial management, communication: building interactions/ cooperative relationships with other parties.

The potential for the development of local handicraft industries, such as ikat (fabric and various accessories) is very high, so it is necessary to pay attention to efforts to improve and improve the quality of ikat products, it can be started by increasing the competence of entrepreneurs, workforce skills, business structure, modernization,

intellectual capital behavior, and company performance.

To overcome various obstacles, it is necessary to take strategic steps including increasing financial resources, intellectual training, and facilitating various trainings to increase added value.

Because the central point of the success of the handicraft industry business is Human Resources (entrepreneurs), it is very necessary to continuously improve competence starting from the input, process and output produced,

Some of the action plans that can be done are:

a. Improving the competence of handicraft entrepreneurs by participating in various technical trainings such as product design, packaging and production technical training.

b. Improving the competence of Entrepreneurs with Web-based management training for product promotion and sales

c. Improve the competence of Entrepreneurs with financial management training with the help of applications so that they are more efficient and effective in the planning and controlling process.

d. Improve the competence of Entrepreneurs by being involved in various local and national scale activities, such as EXPOs and exhibitions to introduce products and build cooperation and relationships with external parties.

As for other aspects of supporting competencies to achieve competitive advantage, among others:

a. Provide understanding to local entrepreneurs to register their products so that they get trademarks or patents so that these products are not imitated.

b. Improving the ability of local entrepreneurs to be able to establish partnerships with other parties both nationally and internationally in introducing East Nusa Tenggara handicraft products.

c. Increase the value of local products in order to compete with foreign products.

d. Increasing business by cultivating own capital and strengthening the capital structure of cooperatives and SMEs.

e. Develop professionalism and a good attitude in running a business

f. Increase interest in products in an effort to continuously improve the quality of local products

V. CONCLUSION

The inhibiting factors include the low competence of human resources in the work industry in developing and marketing products, technical knowledge, management and technology.

2. There are several competency improvement strategies that are suitable to achieve competitive advantage in the local handicraft creative industry in Kupang City, namely Technical Competence,

Marketing Competence, Financial Competence and Human Relations Competence.

3. In addition to the core competencies above, there are several aspects of competence that need to be developed such as increasing product value, increasing capabilities capital, develop a professional attitude, ethics in business and increase the purchase intention of the product.

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