



Improving Human Resources for MSME Actors Who Are Competitive Through Digital Transformation Training and Continuous Use of Technology

Nurul Badriyah^(✉) and Abid Muhtarom

Universitas Islam Lamongan, Lamongan, Indonesia
nurulbadriyah@unisla.ac.id

Abstract. The development of MSMEs in Indonesia currently reaches 64 million, starting from culinary businesses, home industries, or small companies. From the data presented, the use of technology and digital transformation for MSME business media is still 30%, as 70% of MSMEs need to use technological facilities in operational speed, service accuracy, and product quality because baby boomers still dominate SMEs. Digital transformation training and the use of technology sustainably and systematically are opportunities to solve problems. This research uses a secondary field method focusing on reference data and previous research results. The study's results show that the competence of MSME actors in terms of skills and behavioral insights determines the components of Human Resources that are competitive in carrying out activities in this digital era. The simplicity of the training model for MSMEs as applications and e-commerce ideas for this scheme requires further assistance to access offline and online ideas through digital transformation and the use of technology.

Keywords: MSME's Human Resources · Competitiveness · Digital Transformation Training

1 Introduction

Technological developments have a positive impact on MSME and startup actors. The use of internet technology can bridge distances and communicate effectively. Survey data from the Ministry of Manpower in August 2021 showed that almost 88% of companies and startups have digitized to maintain the company's sustainability and the need for workers to resume. Awareness of changes in development aspects and human resources is needed in the digital era [1]. Digitization is the use of digital and the internet in which all manufacturing activities are integrated with wireless technology and Big Data, which results in all activities being connected to one system. Nevertheless, statistical data in 2021 show that small and medium enterprises that use technology did not fully understand the digital world and big data thoroughly and in-depth; this is because most MSME actors are still dominated by the baby boomer generation, which requires a process of adaptation to the new developments.

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The following phenomenon must be understood as the increasing number of companies implementing digitization and human resources that master technology is still limited. Data that can be quoted from the Ministry of Manpower in 2021 is that 50% of Indonesian MSMEs have digital skills [2]. So this is a challenge for the government to improve digital capabilities for new MSME actors. Facing this situation is also very common for MSMEs in Indonesia, where Indonesia operates internet and computer technology or mobile phones as a means of economic value activities that are still used on a small scale. The government's attention regarding the capabilities or skills possessed by MSME actors regarding the use of information technology has also been carried out through training. However, education on the communication side of Technology Infrastructure and product advantages that can compete in cyberspace in an integrated manner has never been carried out.

This finding is a benchmark for us that the ability and skills of human resources, especially MSME actors, are still low, resulting in not optimally supporting the development and welfare of MSMEs.

We often encounter and remember from online news that the barriers or obstacles for companies or industries and MSMEs in their activities using the mastery of technology are still low. The United Nations Educational, Scientific and Cultural Organization (UNESCO) revealed that digital literacy as the ability to access, manage, understand, integrate, evaluate, communicate, and create information safely and precisely through digital technology, is critical and a competency that must be possessed by every organization along with the rapid development of technology [3]. Many companies are using technology for the company's operational readiness both in terms of the company's sales and marketing systems. For this reason, at least three components are needed in the digital literacy framework, including insight (knowledge), skills, and behavior (attitude). These components are decisive for every worker or human resource to support the implementation of work and activities in another fast and digital era [4].

The development of digital technology and work patterns that continue to transform requires companies to innovate and transform digitally in managing human resources. Company knowledge that accelerates the transformation of human resources in the digital era with a focus on:

1. Optimizing MSME's work productivity
2. MSME development and sustainable work
3. The Integrated Performance Achievement Form Plate facilitates MSME work decision-making.
4. Ratification of the Program for the needs of MSME development

The synergy between generations, namely collaboration from generation to generation and the focus of digitalization on effectiveness and efficiency, is needed. Maintaining the emotional level of MSME actors is needed to support optimizing digital transformation use.

Quality Human Resources (HR) is an important and main asset for Indonesia to enter the digital economy era. The urgency of quality human resources is a key factor in winning the global competition, which is increasingly fierce competition amid uncertainty, a strategic step towards strengthening human resources. Managing human resources in the digital era is crucial, especially for MSME human resources, to achieve

production and marketing effectiveness [5]. Management of information technology becomes very important to be integrated comprehensively. Digital transformation training for MSMEs is a digital strategy model for managing human resources requiring technological support.

The government's awareness to support massive technological development is needed, but the motivation of MSMEs to use technology is also high. Therefore, this study aims to improve the human resources of MSE actors through digital transformation training so that experiential learning human resources are built to look at sustainable business competitiveness.

2 Literature Review

2.1 Digital Optimization

Connection platforms with social media are needed to adapt to increasingly massive environmental changes. Platforms should be built integrated to suit human resource management and facilitate access and data management. Digital brings changes to existing business models, including creating new business models. This incident made all actors/businesses in the industrial world must understand the business model that is in line with current conditions [6].

2.2 Competitive Human Resources

The development of an increasingly advanced world requires us to change our mindset to become superior. The advantages of human resources can be identified through being proactive, creative, and innovative and building relationships and personal branding; human resources who believe in competitiveness will have a proactive, creative, and innovative attitude. While MSME's human resources have competencies that need to be developed in adaptive communication, which dares to take risks.

Increasing competitive human resources can provide effective and superior organizational strengthening. The establishment of an organization with a strong culture means that SMEs are more focused on business potential, creativity, and innovation. However, competitive human resources are a cost-effective solution to increase a business's level. The training landscape that should be built to achieve excellence is by increasing the learning of information skills related to digitalization and the use of technology [7].

MSME actors who are responsible for the success of their business certainly try to pay attention to planning, direction, and development of business operating systems and sustainable environmental dynamics. Adjusting the character of the business to strengths, weaknesses, opportunities, and threats becomes a burden on MSME owners in managing them professionally.

Human resources for MSME behavior that are competitive means that those who compete are human resources who are able to adapt to the times and exist in environmental dynamics.

3 Research Methods

The research method used secondary research methods (secondary research) using research data that other people and data collection from reports, books, articles in professional journals, or sources from the internet have collected.

4 Results and Discussion

4.1 SMEs

MSME actors are entrepreneurs who offer micro and small and medium enterprises. The advantage that can be offered is that they have a simple and uncomplicated bureaucratic system. It is also possible for MSME actors to make it easier to adopt innovations in business, especially in the technology sector. The business criteria included in MSMEs are also regulated in the MSME law, which has the following characteristics [8]:

1. Livelihood activities, MSMEs that are used as work agreements to make a living are generally known as the informal sector.
2. Micro Enterprise, MSMEs that have the nature of artisans but are not entrepreneurial
3. Small dynamic Enterprises, MSMEs that already have an entrepreneurial spirit and can accept subcontracting and export work.
4. Fast Moving Enterprise, MSMEs that already have an entrepreneurial spirit and will transform into big businesses.

The results of the study describe that one of the successes of a business is excellent and right-targeted technology editing. The presence of MSMEs in Indonesia is a solution to improving the economy of Indonesia. With the existence of MSMEs, employment has increased and is considered to have contributed the most to employment in Indonesia. Therefore, adopting digital transformation is needed to continue the MSME business life.

4.2 Indonesian Human Resources

The government, through many investment programs in human resources, for example, direct education skills provision for job readiness as well as training and apprenticeships, are being encouraged in stages to ensure the balance of investment and the quality of human resources [9].

Improving the fate of citizens and MSME actors urgently needs to be carried out, considering the three main problems concerning Indonesia's human resources are still impacting. The three main problems are; first, most MSMEs in Indonesia are still low (low skill). Data can be drawn from BPS in 2021; 60% of Indonesian MSMEs graduate from high school and below. With this kind of profile, Indonesia will be less competitive. The two existing job vacancies that have grown over the past four years have failed to be filled with relevant skills (skill mismatch) when the existing jobs need to be filled with an adequate number of skilled workers (skill shortages) [10].

In recent decades, many countries such as Scandinavia (which is still a periphery country) and countries that have successfully become Asian tigers (Korea, Taiwan, and

Japan) have chosen the solutions to be pursued in the next 5–10 years, first, expanding the volume and quality of training and apprenticeships. Second, embark on a sustainable medium-term outlook for training and apprenticeships. Third, pay attention to social security or unemployment benefits schemes. If there is a transfer of work or termination of employment relations, residents or workers can continue to live a decent life and get a second chance to work or establish an economic business.

4.3 Digital Transformation and Use of Technology

These days, digitalization is one of the mainstays. Digitization is accelerating, but it has quite a heavy impact on those who are not ready. The process of digital transformation is usually preceded by digitization, namely the use of technology to obtain information and create new value in new ways. The digital transformation process gives rise to digital maturity, which can be seen from two sides: digital impact and digital readiness. In these two dimensions, the organization and individual human resources are challenged and given two choices: changing or being run over.

Business digitization is a digitization process that serves the social domain and the business organizational domain. An example of the reliability of online delivery services is proof of the power of business in digital form with the ability to accommodate consumer demand and capture change by evolving in business to survive and live on. Today's popular digital trends, such as robotics utilizing artificial intelligence (AI) and others used for automation, do not necessarily replace the unique competencies possessed by humans. Creativity, empathy, judgment, institutions of interpersonal sensitivity, and problem-solving abilities are humans' unique competencies and cannot be replaced by technology.

4.4 Competitive Human Resources

The world of entrepreneurs, especially MSMEs, requires digital knowledge and skills to meet the dynamics of the environment, a very significant need, not only in the form of strong financial support. However, training and human resource experts have a strategic role in the success of MSME entrepreneurs in Indonesia. According to Alamanda Shantika Santoso (Founder of Binar Academy) so far, MSMEs have been taught to make simple e-commerce applications and ideas. Application ideas should be carried out by forming a solid team, such as the Digital Marketing and IT Knowledge team, to access ideas offline to online, which startup companies currently need, which is an obstacle often encountered so far [11].

The research results confirmed by viva.co.id (2018) said that several foreign investors were starting to be interested in the potential of the digital industry and startups or MSMEs through venture capital. However, the unpreparedness of MSMEs and startup human resources prevented investors from attracting them.

Furthermore, cases that occur in companies through HRD practices directly impact individual and organizational performance. These findings are built to play an essential role in the success of human resource development through increasing human capital. Being able to improve individual performance certainly does not rule out the possibility of individual SMEs being able to be improved through education, training, and experience

programs. This pattern of human resource development can be viewed as an investment in human capital, and the decision to participate in training activities and skills is seen as a rational choice on the part of the individual.

The awareness that human resources provide the potential for competitive and sustainable advantages through the development of human resources to increase specific competencies and the individual profession itself is possible to produce knowledge of tactics to compete in increasingly fierce economic competition. According to the development of the current business environment, the tactic and specific knowledge of individual MSMEs is digitalization to support increased sales and expand market segmentation. This expertise aims to achieve a competitive advantage by increasing the competitive competence of MSME Human Resources.

This research has shown that developing competitive human resources is a value that must be maintained to face competition. This human resource development includes leadership development training. The development of technical competencies and the development of social networks. The success of human resource development is demonstrated by universal and specific HRD practices and increasing business performance.

4.5 MSME's Human Resources Who Can the Use of Technology and Digital Transformation

The most important key to success for companies is competitive human resources that improve human resources' ability, especially MSME actors by increasing the ability of individual human resources with the appreciation of providing guidance and training to strengthen education and preparation of reliable MSME human resources in the future. The importance of the MSME performance roadmap and training clustering is also used for developing MSME human resources in a structured manner to create sustainable development programs so that the role of MSME performance management can be achieved according to government targets [12].

MSME actors' understanding of communication connectivity via the internet has begun to sharpen to maintain MSMEs even amid a great economic contraction. Digital transformation training for MSMEs is realized with the record that MSMEs in Indonesia have significant growth [13].

The link between MSMEs going online is very concrete with concrete media and digital transformation media that can bring resilience and opportunities when there is an economic contraction and social liberation. The right social, digital transformation to survive and be competitive from the number of MSMEs in 2019–2020 amounted to 9 million, and currently, in 2021–2022, there has been an increase of 19 million MSMEs, and 2022–2023 of 64 million. This growth has of course resulted in the process of developing MSME Human Resources becoming increasingly more complex, therefore the clustering of each human resource development need is thought of as a tactical strategy. Discussion of digitization and utilization of the potential for digital transformation for MSMEs plays an essential role in the MSME human resource development strategy in the era of competitiveness with the concept of digitizing MSMEs or MSMEs Go online. Considering the 64 million MSMEs, only 29% use on-board digitization; therefore, 71% of MSMEs still need opportunities in the digital space. Part of this task is to encourage MSMEs to survive and even be able to scale up to expand the business in terms

of quality and quantity and carry out actions to go international. In principle, MSMEs are competitive at the global level. Part of this task is to encourage MSMEs to survive and even scale up to expand the business in terms of quality and quantity and carry out actions to go international. In principle, MSMEs are competitive at the global level. Part of this task is to encourage MSMEs to survive and even be able to scale up to expand the business in terms of quality and quantity and carry out actions to go international. In principle, MSMEs should be competitive globally.

5 Conclusion

The consistency of the success of MSMEs as economic heroes in providing various jobs requires MSME actors to adopt innovations in business, especially in the technology sector. Digital transformation training and the use of sustainable technology are still urgently needed by MSME actors so that there is a balance between environmental dynamics and sustainable business for MSME actors. Digital transformation training to strengthen the education and preparation of reliable MSME human resources in the future. Digital transformation can help MSME business resilience go online, go international, and compete globally.

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