



Employee Diversity Management In Creative Industry In Building Competitive Advantages

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ABSTRACT

This article focuses on the management of employee diversity in manual filtration screen printing creative industry in building competitive advantage. The tighter competition in business realm makes the owners of business in manual filtration screen printing creative industry should empower human resource optimally and optimize performance efficiency and effectiveness in all business sector to keep surviving in very diverse competition path. The competition intended occurs locally, regionally, nationally, and even internationally. The business in creative industry of manual filtration screen printing will be the winner if it can be compete with the competitors in their field. In facing dynamical internal and external situation and condition, the business owner should think strategically of the operational optimization, through having competitive advantages. Diversity is expected to benefit the actors of creative industry business of manual filtration screen printing in catering on the diverse customers as well. The company with employee diversity management can propose innovative input and different creative ideas and can serve the diverse market. Employee diversity in creative industry of manual filtration screen printing can give both much benefit and challenge in the process of time. Thus, the optimization is required in the term of human resource management and empowerment that is planned in such a way to optimize the efficiency and the effectiveness of company by implementing Total Quality Management (TQM) principles.

Keywords: *diversity, human resource management, Total Quality Management*

1. INTRODUCTION

The change in business competition situation and condition results in the change in competitive innovation and creativity in many sectors. The world is getting narrower due to globalization effect. This globalization effect supports international business growth and development. Minimum geographic border and easy access to digital-based communication make the international economic activities easier. Product produced by a state can be found, applied to be imitated, and consumed easily by other states. In addition, diversity is found among the company's employees and consumers having different backgrounds, regions, classes, and states. In such situation and condition, the company will be faced with new and diverse human resources. The tighter and very significant competition can affect business performance. Business competition occurs in all levels, either local or regional, either national or international. Considering current situation and condition, the company will be the winner if it can

compete in the competition. Facing uncertain condition and situation of business environment, the company should always attempt to keep operating optimally, by means of having competitive advantages. Competitive advantage is defined as the one enabling a company to survive with strong market and better environment that its competitor [1]. The dynamic change of business environment is also integrated into varying occupations. In the organizational context of company, diversity can be described as various important characteristics of one or more individuals that can affect opportunity, values and perception on themselves and others. The main characteristics such as age, ethnic, gender, race, and ability including other characteristics such as job experience, geography, religion, income, language, communication style, working style, education, and family status, according to [2], will surely be different between one individual and another, and furthermore these can affect the organizational performance entirely. Employee diversity can exert positive effect on the optimization of synergy and the efficiency and

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effectiveness of a company and then gives it competitive advantages in its process. In contrast, [3] stated employees are basic asset of a company planning as the resource that is active in each of organization running processes. Human resource has different individual advantages, including different mindset, wish, status, feeling, educational background, age, and sex in corporate organization [4]. Human resource in this case is employees rather than material, engine, or money that is passive in nature and can be mastered easily and regulated entirely to optimize the achievement of company's vision and mission. Generally, the employees in a company are varying and have different characteristics. In facing the diversity, the company has specific strategy and method to treat the human resources well. In creative industrial business sector, the diversity is often found in human resource. Human resource in the company consists of different individuals coming from different background, interest, aptitude and experience who often contribute different innovations and creativities and thus many of them affect positively the development of creative industry, including the manual filtration screen printing creative industry because they often share knowledge with each other, but they can affect it negatively as well. Therefore, the company should keep monitoring and evaluating every process and it requires the role of human resource management [5].

Human resource management is required to attempt the diverse employee planning and management to optimize the company's performance. Thus, the company is expected to have competitive advantage. To achieve efficiency and effectiveness in managing employee diversity in creative industrial business, a company should implement *Total Quality Management* principles.

2. DISCUSSION

2.1. Human Resource Management

Human Resources Management is a science and an art of regulating the relation and the role of laborers or workers to achieve the objective of company effectively and efficiently. Human resource management is getting more complex with the more modern time development. Government, employers, and workers participating in *International Labor Conference* in 2017 concluded "A sustainable company should make innovation, adopt environment-friendly technology, develop human skill and resource, and improve productivity in order to keep competitive in national and international markets. The term human resource management in both organization and company is a process starting with planning and grouping, and then in giving direction in the recruitment process, developing, and compensating in work relation involving human resource management (HRM) to achieve the objective of organization, company, or individual [6]. Human resource is a process in which individuals are exploited humanely as the workers in the company to contribute their physical and psychological

potencies in order to be utilized optimally to achieve the company's objective [7].

In addition, they should apply workplace practices based on the attitude of upholding basic rights in workplace and international labor standard, and build a good human resource management relation to improve productivity and to create feasible job opportunity. These principles apply to all companies". With the development of technology and the globalizing society, the companies face many new challenges that they did not face previously. Human resource management originally concerning labor welfare management and administration only now strengthens its role as the leader of industrial relation and ensures that organization comply with the manpower regulation prevailing. It means that human resource management now plays a strategic part in supporting and encouraging the achievement of objective specified by the organization [7]. The company's ability of changing and applying the strategy will compensate and benefit the company through its success in ensuring its sustainability [8]. Microsoft Corporation is a company representing an example of successful human resource management. The President Commissioner and the Chief Executive Officer of Microsoft, William H.Gates, had successfully grow the company since its inception in 1975, and developing it until hiring not less than 15,000 employees aged 31.2 years on average in 1995. Microsoft Corporation basing in Redmond Washington successfully maintained its ranking among the most admired companies and was often selected to be the most innovative companies in US. Microsoft Company has released up to 50 product types in a year, including its international versions. It could be achieved due to William H. Gates' successful human resource management. Gates is aware that the involvement of all Microsoft product lines will be expired within five years. Therefore, Microsoft needed high-quality diverse employees in large number. William H.Gates always takes action based on a premise that a company can be successful because of its employees and the employee-recruiting problem is the most important one in running business. It makes Microsoft recruits and hires many employees. It can use two sources in the recruitment: internal and external sources, employing and prioritizing the employees in the company. Outsourcing is an employee filling in the vacancy using the workers from outside company [9]. State that seeking and recruiting the best and high-quality employees is the number-one priority in Microsoft. Microsoft recruits new employees once in four year from 137 campuses.[10] Microsoft also interview more than 7,400 applicants from all over the world and finally accepting 2000. In the sample case aforementioned, the President Commissioner or William H.Gates can actually be the model of a good leader, that can use his position, authority, and leadership to direct others and be responsible for his occupation in achieving his objective. William H.Gates' leadership actually reflects a leader's leadership style that can persuade his subordinate to cooperate and to work effectively under

his command. William H. Gates can apply the leadership principles: firm and rational, taking action consistently and behaving honestly and fairly, and thereby brings great success to Microsoft throughout world.

2.2. Employee Diversity

Microsoft has developed to be one of the largest information companies in the world along with the technology development. It now has subsidiaries in more than 100 states with over 50,000 employees. The software produced by Microsoft is distributed throughout world and has nearly no competitor. Microsoft's success also proves its management's success in managing diverse employees (anneahira.com).

The results of studies show that employee diversity the company has will affect positively and benefit the company itself, as it creates new business opportunities, and improves the company's abilities of making product innovation, and of solving problem. The diversity in employees' experience and perspective can also be the source to build competitive advantage.

Characteristics and typical traits inherent to the diverse human resources will motivate and inspire the company to be able to face the business change occurring through their better creativity and ability of seeing a problem from various perspectives. Recalling that human resources will highly affect the management of company business, it should be put to be one of prioritized issues to the company management. A number of literatures mentioned that the benefit that the company can obtain from good management relates to the diversity of human resources. [2]

Mention that through managing human resource diversity appropriately, the company can improve its profitability, go beyond financial measure to achieve learning, improve creativity, improve organizational and individual growth, and improve the company's ability of adapting quickly and appropriately to make change successfully. [2]

It is well established that the increasingly diverse human resources in a company also exerts negative effect on it, e.g. the difficulty of communication and the escalating tension and conflict in workplace. However, the strength of benefit or positive side obtained from the diversity becomes the reason for the company or organization to put diversity to be one of problems in human resource strategy. [2]

Moreover, it can be seen in the more globalizing business environment today. With the development of cross-border relation and cooperation, the company is often faced with intercultural problem. Intercultural problem is often caused by the difference of culture and habit in multinational cooperation, joint venture, strategic alliance, merger, and acquisition. Both parties are faced with different or even sometimes contradictory cultures; thus, a more in-depth cultural understanding is required to deal with the constraints arising. [11]. Considering such condition, the company's employees play an important role in maintaining

concord in working environment by appreciating and respecting employee diversity in the company. To obtain diverse employees, the role of Human Resource management (HRM) is urgent. Procurement is the first operational function of Human Resource management. Essentially, the role of human beings is an important factor in a company, because this human resource management practice is an important factor to determine the development of a company/an organization to be the driver to achieve the objective of company/organization [12]. The procurement of employees is an important, difficult, and complex problem, as it is not easy to get and to place competent, appropriate, and effective persons. Employee is the first asset of company that becomes an active planner and actor in every organizational activity. Employees have heterogeneous thinking, feeling, desire, status, educational background, age, and sex brought into the company organization. The competent, capable, and skillful employees do not automatically ensure good productivity when they have poor working moral and discipline. They will be beneficial and support the achievement of company's objective if they have high achievement motivation. The less capable, less competent, and less skillful employees make the work not completed timely [13]. This makes the employee recruitment problem most important in running business to Microsoft Corporation.

2.3. Competitive advantage with Total Quality Management (TQM)

Total Quality Management (TQM) is an activity process applied by a company involving all areas both inside and outside the company, and thereby improvement is made continuously to improve product, process, service, and management qualities [14]. There are some different definitions of advantage in the organizational function. The themes arising from the studies on advantages are, among others:

1. Setting the objective and the mission of organization and ensuring that all systems are consistent with the mission.
2. Creating an organizational structure consistent with the objective of organization and maximizing flexibility
3. Designing the work in such a way that enables the staffs to use their skill and creativity
4. Developing the diverse human resource plans
5. Maintaining the best, high-quality, and productive staffs
6. Monitoring, evaluating, and giving feedback on the performance of staff by means of leading to the continuous improvement and high productivity level.
7. Showing commitment to high performance to reward the productive staff
8. Collecting data and information on service that will allow for program evaluation and improvement sustainably
9. Budgeting and funding the organization in a way consistent with the mission

10. Evaluating organization and management performance periodically.

This organization's advantage can create competitive advantages to the company. Suggests that competitive advantage grows from the values that can be created by the company for its consumers. The value can be the price lower than the competitor's price over the equal benefit or unique benefit gain rather than compensating the premium price [15]. These activities can partially affect the position of corporate relative cost and create differentiation foundation. Also suggests give competitive strengths: the entry of newcomers, the threat of substitute product, the buyer's bargaining power, the supplier's bargaining power, and the competition among the existing competitors reflecting the fact that competition in an industry [15]. Total quality management can be an attempt taken by the management to improve the effectiveness and the efficiency of organization. In its implementation, Total Quality Management tends to be more dominant in the term of quality, with the term of quality having different meaning to different people [16]. Therefore, the good implementation of total quality management in both company and organization can be the company's advantage to compete with other companies for obtaining the expected market.

CONCLUSION

The tight business competition in the manual filtration screen printing creative industry forces the company to find solution to the competition problem among the competitors. The strategy created should be appropriate-target and supported with the efficiency and the effectiveness in solving the problem encountered by the company related to environment. In this case, the human resource management in creative industry sector should implement the process of reinforcing and developing human resource existing in the company readily and sprightly. Globalization results in varying product marketplaces; therefore, the company is required to produce varying high-quality products. The implementation integrated quality control system and TQM (Total Quality Management) should be done optimally. Thus, the company should apply integrated quality control system and Total Quality Management in running its business. The presence of varying markets will benefit the company considerably if it has diverse employees, because as such the company will understand the consumers' taste and need.

SUGGESTION

The company in manual filtration screen printing creative industry will be more superior in business competition if it has diverse employees. Therefore, the recruiting system should consider the recruitment of diverse employees. The company can accommodate and appreciate the diversity of employees to enable them to contribute fully without discrimination and to get positive security in their work. Every employee is

expected to contribute optimally to the company due to different perspectives, personalities, and abilities. When optimized, this diversity can give different perspective on challenge and new opportunity the company faces. In addition to the benefit gained, the company accommodating diversity should take into account and be alert to adverse effect generated by minimizing any contingencies likely occurring due to the diversity of human resource in the company managed.

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