



# Human Resource Planning and Development Strategy to Improve Quality and Competitiveness

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**Abstract.** Human resource development has a significant impact on the performance and success of MSMEs. In addition, it is also a long-term investment that is very important for the sustainability and growth of MSMEs. This study examines the critical role of human resource planning and development strategy in improving the performance and competitiveness of Micro, Small & Medium Enterprises (MSMEs) Dapur Leni, a culinary enterprise in Toboali, South Bangka Regency, Indonesia. Through a qualitative descriptive approach and survey of all employees, the research investigates effective human resource planning and development strategies. Key findings of this research highlight the significance of tailored training programs, competency development initiatives, motivational factors, and employee welfare in fostering a high-performing workforce. The study also addresses the challenges faced by MSMEs in HR management and proposes practical solutions. By implementing these strategies, MSMEs Dapur Leni can enhance its productivity, innovation, and market competitiveness, ensuring long-term sustainability and growth.

**Keywords:** Human Resource Management, MSME, Strategy.

## 1 Introduction

It is undeniable that the Micro, Small, and Medium Enterprises (MSMEs) sector is one of the backbones of the economy of the society in our country. The presence of MSME in the midst of diverse Indonesian society has proven to be able to support local economic growth through the provision of jobs and the sustainable use of Natural Resources. The dynamic nature of the business landscape, coupled with the increasing globalization of markets, has underscored the imperative for organizations to prioritize human capital development. This is especially true for MSME, which often face resource constraints and intense competition. Effective human resource (HR) planning and development strategies can serve as catalysts for enhancing performance and competitiveness within these enterprises. Investment in HR development is not only about improving current performance, but is also a crucial long-term investment for the growth and sustainability of MSMEs. Human resource development has been widely recognized as a strategic investment for MSMEs. By investing in the skills and

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capabilities of their employees, MSMEs can improve their productivity, innovation, and overall performance. Additionally, a well-developed HR function can help MSMEs to attract and retain top talent, which is essential for sustaining growth and competitiveness.

This study explores the important role of HR planning and development in improving the performance and competitiveness of MSME Dapur Leni, a culinary enterprise based in Toboali, South Bangka Regency, Indonesia. By examining the specific needs and challenges of Dapur Leni, the research aims to identify effective strategies that can foster a high-performing workforce and contribute to the long-term sustainability of the business.

Human Resource Management is a part of management that focuses more on paying attention to potentials or assets in the form of human resources which function as the main capital in internal improvement of business organizations. Human Resources Strategy involves planning and enhancing the quality of the workforce to ensure their development aligns with the organization's goals. By implementing such a strategy, individuals will be better positioned to become qualified and competitive within the company [1].

Previous researches [1], [2], [3] has shown that effective HR management practices can significantly enhance the performance, competitiveness, and sustainability of SMEs. In addition, HR development can also help MSMEs build a strong organizational culture and retain talented employees. However, the article also acknowledges that HR management in MSMEs faces unique challenges due to limited resources, rapid growth, and the often-informal nature of these businesses. MSMEs in facing the digital era also require reliable human resources. Therefore, human resource planning must be carried out as well as possible so that there is no waste and use of human resources that cannot support business progress and productivity [4].

The culinary industry, with its unique characteristics and tight competition, requires MSMEs in this sector to continue to innovate and improve the quality of their products or services. One of the key factors that can differentiate successful culinary MSMEs from others is the quality of their HR. In the context of culinary MSMEs, HR development does not only involve improving employees' technical skills, but also includes developing soft skills such as communication, creativity, and teamwork. These skills are essential to creating a satisfying customer experience and differentiating culinary MSME products or services from their competitors.

The study employs a qualitative descriptive approach, combined with a survey of all employees at Dapur Leni MSMEs, to investigate effective human resource planning and development strategies. Key findings of the research highlight the significance of tailored training programs, competency development initiatives, motivational factors, and employee welfare in fostering a high-performing workforce. The study also addresses the challenges faced by MSMEs in HR management and proposes practical solutions.

## 2 Methods

This study employs a qualitative descriptive approach to examine human resource planning and development strategies aimed at improving the quality and competitiveness of Dapur Leni MSMEs in Toboali, South Bangka Regency, Indonesia. The research methodology consists of the following components:

- **Qualitative Descriptive Approach:** The study uses a qualitative descriptive approach to explore the current human resource strategies at Dapur Leni. This approach allows for a detailed examination of the processes and practices involved in planning and developing the workforce, providing a rich understanding of the factors that contribute to or hinder the enhancement of employee quality and competitiveness.
- **Employee Survey:** To collect primary data, a survey was conducted involving all employees of Dapur Leni UMKM. The survey of 15 questions with a Likert scale was designed to capture employee experiences, perceptions, and suggestions regarding existing human resource planning and development strategies. Open-ended questions were used to allow respondents to provide detailed feedback, which is critical to understanding the nuances of current HR practices.
- **Data Analysis:** The data collected from the employee survey were simply analyzed using Microsoft Excel application and then interpreted descriptively qualitatively. This analysis is based on a thorough insight into relevant literature sourced from the library.
- **Conclusion:** The qualitative analysis, supported by literature reviews, forms the basis for the study's conclusions. These conclusions offer recommendations on human resource planning and development strategies that can be implemented to enhance the quality and competitiveness of Dapur Leni MSMEs in Toboali.

## 3 Results and Discussion

Given the fundamental human need for food, the culinary business, including MSMEs, has become a popular choice for many entrepreneurs [5]. Dapur Leni is an MSMEs in Toboali, South Bangka Regency, Indonesia which is engaged in the culinary sector. The products produced include drinks, cakes, bread and other types of food. This MSMEs has been established since 2015 and currently has 11 employees including store crew, production crew and cashier. A survey was conducted to all employees regarding the existing condition of HR planning and development strategy as well as the quality and competitiveness of MSMEs. The results of the survey can be summarized briefly as follows:

1. The segmentation of human resource planning in UMKM Dapur Leni Toboali has been managed very well. The company has carried out proper mapping according to the needs of the organization. In addition, the career development strategy implemented by the company is also quite good, providing clear opportunities for employees to develop.

2. However, in terms of preparing training and development plans, the company chooses not to involve employees directly. In other words, the company has full control in planning the training, adjusting to the specific needs that have been identified. Nevertheless, UMKM Dapur Leni Toboali has demonstrated excellent ability in identifying and meeting employee training and development needs. The company ensures that every training program held is in accordance with employee job needs, without ignoring quality. This, of course, has a positive impact on the company's productivity.
3. The quality of human resources, product quality, and competitiveness are the main commitments that are the foundation for the company's growth. The company also shows consistent efforts in maintaining and nurturing employee motivation, one of which is through giving awards for their achievements and performance. In addition, Dapur Leni MSMEs, Toboali continues to strengthen the product quality control system to ensure that high standards are always maintained.
4. In an attempt to make Dapur Leni MSMEs a competitive company, it is important for the company to create an environment that is open to input from all parties, including employees. Thus, the company can encourage mutual growth and maintain the quality of products and services. As a next step, it is necessary to improve the employee performance assessment system periodically

### 3.1 Human Resource Planning and Development Strategy

The success of investment in a business, especially culinary MSMEs, is highly dependent on the quality of its human resources. Investment in HR development is a real investment because HR is the most valuable asset that will run and develop a business. Mature HR planning and development are the main keys to improving the performance and competitiveness of a business. Unfortunately, there is often a gap between commitment to investment goals and commitment to HR development. In fact, the two are closely related. Effective HR development strategies, such as training, potential development, and improving employee welfare, are very important to improve employee motivation and performance. Training not only focuses on improving technical skills, but also includes the development of theoretical, conceptual, and moral skills that are relevant to job demands. In other words, HR development is an ongoing process that aims to improve employee competence so that they can contribute optimally to the success of the organization. The strategy can be focused on these three big phases:

1. **Planning Phase:** A well-structured human resource strategy for culinary MSMEs begins with a thorough job analysis. This involves clearly defining the roles and responsibilities of various positions, such as bakers, pastry chefs, and sales staff. Additionally, it's essential to determine the specific skills, knowledge, and experience required for each role, considering factors like baking techniques, food safety, and customer service. To anticipate future HR needs, MSMEs should forecast business growth and expansion plans. This will help estimate changes in workforce requirements. Additionally, analyzing historical turnover rates can identify factors

contributing to employee attrition, allowing for more effective HR planning. Finally, a successful recruitment strategy involves utilizing effective channels like online job boards, social media, and partnerships with culinary schools to attract qualified candidates. A comprehensive screening process is also crucial to assess candidates' skills, experience, and cultural fit, ensuring the right individuals are selected for the roles.

2. **Development Phase:** To foster employee growth and engagement, culinary MSMEs should implement comprehensive onboarding and training programs, covering both technical skills and soft skills. Regular performance reviews provide valuable feedback for identifying development opportunities and creating clear career paths. Mentorship programs can facilitate knowledge transfer and skill development. Recognizing and rewarding employees, promoting work-life balance, and encouraging employee input are essential for creating a positive and engaging work environment.
3. **Retention Phase:** A strong retention strategy is essential for culinary MSMEs to maintain a talented workforce. To ensure competitive compensation, organizations should conduct market research and offer comprehensive benefits packages that align with industry standards. Additionally, regular employee satisfaction surveys help gather feedback and identify areas for improvement. Proactively addressing employee concerns demonstrates a commitment to their well-being and can boost morale. Finally, fostering a positive and supportive company culture that values teamwork, innovation, and employee well-being is crucial for retaining top talent. By creating a welcoming and rewarding work environment, MSMEs can encourage employee loyalty and reduce turnover rates.

In addition, it is important to adjust HR development programs to dynamic business needs. Effective leadership also plays an important role in creating a work environment that is conducive to employee development. Periodic evaluation of HR development programs will help ensure that they remain relevant and effective. Ultimately, sustainable HR development will contribute to improving the quality of products or services produced by MSMEs, thereby increasing competitiveness in the market.

## 4 Conclusion

The culinary business, particularly MSMEs like Dapur Leni in Toboali, South Bangka Regency, relies heavily on effective human resource (HR) planning and development to ensure productivity and competitiveness. While Dapur Leni has excelled in mapping out its HR needs and offering career development opportunities, it maintains full control over training and development planning, which has proven effective in aligning employee skills with job requirements. The company also places a strong emphasis on maintaining high standards of product quality and employee motivation through consistent rewards and quality control.

However, to further enhance its competitiveness, Dapur Leni could benefit from fostering an open environment that welcomes employee input and periodic evaluations of HR programs. A structured HR strategy that includes thorough job analysis, targeted development programs, and robust retention efforts is essential for sustaining growth

and maintaining a talented workforce. By aligning HR development with dynamic business needs and ensuring leadership support, Dapur Leni can continue to improve product quality, increase market competitiveness, and drive overall business success.

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