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# DEVELOPMENT STRATEGIES FOR MICRO, SMALL, AND MEDIUM ENTERPRISES (MSME) BY IMPROVING THE QUALITY OF HUMAN RESOURCES

# Ahmad Mukhlis\*1,3, Anoesyirwan Moeins<sup>2,3</sup>, Widodo Sunaryo<sup>3</sup>

<sup>1</sup>Bina Bangsa University <sup>2</sup>Universitas Persada Indonesia YAI <sup>3</sup>Pakuan University, Indonesia Email: ahmuk999@gmail.com

#### Abstract

MSMEs, which stand for micro, small, and medium enterprises, play a significant part in the expansion of the Indonesian economy. The contribution of micro, small, and medium-sized enterprises (MSMEs) to economic growth in Indonesia is undeniable; however, despite this, MSMEs continue to struggle with a wide variety of internal and external challenges. Consequently, it is essential to have an MSME development strategy to make MSMEs more developed. In the meantime, the problem that frequently arises in micro, small, and medium-sized enterprises (MSMEs) is the low quality of the human resources. The quality of a company's human resources is a significant factor in determining whether it will achieve success or failure. Human resources are an essential component of any business. Therefore, one must access competent human resources to cultivate a successful business.

This research aims to establish a plan for the growth of micro, small, and medium-sized enterprises (MSME) of kerupuk cracers in the city of Serang by enhancing the caliber of the human resources used in their management. Methods of qualitative research used for this study. In this research project, the data collection methods include observations, interviews, and documentation. The data analysis process carries out in several stages, the most important of which are data reduction, data presentation, and conclusions.

According to the findings, there were three different routes to enhance the quality of the human resources available at MSME Crackers in Serang City. 1) Training, with an emphasis on both "on the job" and "demonstration and example" styles of instruction. 2) Education through the use of the method of Coaching and Counseling. 3) Work experience, in which case you should give someone with previous experience in recruiting employees top priority. Because the increased quality of the human resources put into practice to "kerupuk" SMEs in Serang City contributes to the sustainability of its business, this approach can use as a strategy for developing SMEs.

Keywords: SMEs, Quality of Human Resources

#### INTRODUCTION

MSMEs, which stand for micro, small, and medium enterprises, is one of the commercial units in Indonesia that contribute significantly to the country's overall economic expansion. Indeed, micro, small, and medium-sized enterprises (MSMEs) help absorb job seekers, contribute to more equitable income distribution, and serve as socioeconomic forums for society. Moreover, due to its enormous potential in driving people's economic activities while simultaneously being the primary source of income for most people to improve their standard of living.

Micro, small, and medium-sized enterprises (MSMEs) play a strategic role as a support for the popular economy (Budiarto, 2019).

Micro, small, and medium-sized businesses are commercial activities that are productive and have the potential to expand employment and provide general economic services to the community. These businesses also have the potential to play a role in the process of adjusting to and improving low-income communities. In addition, micro, small, and medium-sized businesses (MSMEs) also play a part in fostering economic growth and contributing to national stability. This study demonstrates that micro, small, and medium-sized businesses are critical components of community economic development. Thus, this shows the role of MSMEs as, most of all, commercial units, which are a natural manifestation of the economic life of the Indonesian people. Such a position places the role of MSMEs as one of the famous economic systems as a form of building the national economy (Budiarto, 2019).

MSMEs are productive business units that stand alone and belong to individuals or business entities in all economic sectors. In principle, the differences between Micro, Small, Medium, and Large

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Enterprises consist primarily of the initial asset value (excluding land and buildings), the average annual turnover, and the number of permanent workers (Tambunan, 2012).

Even though they have demonstrated their importance to the national economy, micro, small, and medium-sized enterprises (MSMEs) continue to struggle against various challenges. Most micro, small, and medium-sized enterprises struggle with issues that are, for the most part, comparable. The challenges that micro, small, and medium-sized enterprises (MSMEs) are up against can break down into two categories: internal and external problems. Internal problems arise from MSMEs, which hinder commercial development, such as low quality of human resources, standard commercial network and market penetration capacity, lack of capital, technological problems, and organizational and management problems (Budaart, 2019). And external problems are problems from outside the MSMEs themselves, in particular: the commercial climate, infrastructure, regional autonomy, implications for free trade, and modern market expansion. Therefore, there must be efforts to promote and develop MSMEs.

When it comes to the growth of businesses, its players need to have the ability to survive and compete with other companies. As a consequence of this, businesses should be able to formulate commercial strategies that will help them improve their operations. Therefore, it is essential to note the development strategy when discussing the growth of SMEs. The choices and methods implemented during the development of MSMEs will affect the outcomes desired by actors involved in the MSMEs. The greater the number of strategies that MSMEs implement, the better their results.

Kerupuk Cracker SMEs are just one of the many small and medium-sized businesses (SMEs) that originated in Serang City, Banten, that are still operational today. About eight years have passed since this MSE first opened its doors. These small and medium-sized businesses are engaged in production, specifically the manufacturing of kerupuk crackers and other snacks. Since it is the only MSME involved in the processing of kerupuk crackers, this MSME has the potential to be interesting. In addition, this small and medium-sized enterprise (MSME), Generally Speaking, is one of the most successful kerupuk Cracker MSMEs in Serang City and the surrounding area.

The Kerupuk cracker SMEs in Serang City has seen many positive developments recently, including an increase in the number of workers, an increase in the amount of production, an increase in sales turnover, and an expansion of their business premises.

Human resources are all those who work in companies that have succeeded in achieving organizational goals (Essay & Ardianti, 2013). In an organization, human resources are all the people who put activities. Human resources are needed and affect the organization or business because human resources are resources that play an active role in the organization or company (Sutrisno, 2016).

The only resources with reason, desire, skill, knowledge, drive, power, and work are human resources because only humans can reason and have passion, talent, knowledge, and work. Therefore, all of an organization's or company's human resources have the potential to influence the efforts made to achieve specific goals. Suppose an organization or company does not have sufficient human resources. In that case, it will be difficult for them to achieve its goals, regardless of how advanced its technology or information development is or how much capital or equipment is available.

Human resources have a significant role in determining the progress or development of an organization or company (Widjaja et al., 2018). Likewise, in MSMEs, human resources are essential for every business. Quality human resources will determine success or failure in competition (Atmaja & Ratnawati, 2018). Therefore, if there are quality human resources in MSMEs, it will undoubtedly make the MSMEs develop. Because the quality of human resources in MSMEs will affect the performance of MSMEs. This reason shows the importance of improving the quality of human resources to achieve success.

They are improving the quality of human resources, or human resource development is the process of improving the quality or capacity of individuals to achieve national development goals (Sedarmayanti, 2018). The purpose of improving the quality of human resources is related to the quality of human resources regarding physical and non-physical capacities.

The continuous development of human resources is necessary to obtain quality human resources in the truest sense, which is to say that the work done will produce something desired. Not only does quality mean being intelligent, but it also means meeting all of the qualitative requirements imposed by the work to finish following the plan. Qualitative requirements concern capacity, skills, personality,

attitudes, and behavior (Sedarmayanti, 2018). Human Resource Development is one of the keys to success and the most important for business development and resilience. Therefore, human resources in an institution are vital to business success. With human resources development, individuals will be encouraged to develop to improve the quality of their human resources and business performance.

To ensure that the research is focused and directed, the problem for this research is as follows: "How is the strategy for developing micro, small, and medium enterprises (MSMEs) through improving the quality of human resources at MSME Kerupuk Crackers in Serang City?" Previous issues The formula is based on analyzing past problems as inspiration for the formulation. And the objective of the study is to determine how the MSME development strategy can improve by increasing the level of talent available at MSME Kerupuk Crackers in Serang City.

# **MSME Development Strategy**

This strategy consists of a long-term plan, followed by a series of actions to accomplish specific objectives. In most cases, it is a matter of accumulating victory points (Abdurohim, 2021). Generally, a strategy is a global approach that refers to implementing, planning, and implementing idea activities within a certain period (Alyas and Rakib, 2017). The management strategy process can explain the goals and systematic approach to making the most critical decisions of an organization (Nofrizal, 2017).

William J. Stanton defines strategy as an organization's effective basic plan of action to achieve its goals (Amirullah, 2020). For some companies, strategy is a way of dealing with and anticipating future problems and opportunities. The strategy must provide a clear image and have direction on what is needed and implemented by the organization or company. Trading strategies include geographic expansion, diversification, acquisitions, product development, market penetration, sales, liquidation, and joint ventures (Egim & Nenengsih, 2019).

Strategy can divide into three types: management strategy, investment strategy, and business strategy (Herfita et al., 2017).

- 1. Management Strategy
  - This strategy includes strategies that can apply by managers that orientation toward developing macro strategies, such as product development, pricing, acquisition, market, and financial plan.
- 2. Investment Strategy
  - This strategy is investment oriented. For example, the company continues its aggressive growth strategy or tries to penetrate the market through survival, new section, sales, and others.
- 3. Business strategy
  - The business strategy functionally directs the function of management activities such as marketing, production, operation, sales, organizational, and financial.

# **Business development**

Increasing one's conceptual, theoretical, technical, and moral capacity following one's job or position through education and training is what we mean when we talk about development (Egim & Nenengsih, 2019). One more way to define growth is the process of making an effort to advance, advance, or perfect something for the better. In commercial development, development refers to everything done to enhance the implementation of current and future work that provides information, direction, and regulation. According to Moraga, the purpose of business development is to make an effort to increase the number of currently available jobs and those that will be available in the future. This study accomplishes this by encouraging the growth of businesses, boosting both the quality and quantity of the output of economic activities and organizing one's thoughts and efforts to achieve several objectives (Abdurohim, 2021).

# **MSME**

According to Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises (MSMEs), the following is how Micro, Small, and Medium-sized Enterprises (MSMEs) are defined (Budiarto, 2019):

1. A micro business is a business entity owned by an individual and a productive business unit by an individual with a net worth of Rp. 50,000,000 excluding land and buildings for business premises and annual sales of Rp. 300,000,000.

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- 2. A small business is a productive economic business unit owned by an individual or business entity that is not a subsidiary or branch of a company.
- 3. That possesses some form of direct or indirect ownership, managed, or a part of it by meeting the following criteria: having a net worth of more than Rp. 50,000. 000 to IDR 500,000,000 and annual sales are more than IDR 300,000,000 to IDR 2,500,000,000.
- 4. A medium-sized business is a productive economic unit run by individuals or business entities.
- 5. Not subsidiaries or branches of companies directly or indirectly owned or controlled by small or large businesses by meeting the criteria of having a net worth and annual sales of more than Rp. 500,000 .000 and more than IDR 2,500,000,000.

#### **MSME Problems**

Most micro, small, and medium-sized enterprise (MSME) actors in Indonesia face similar challenges in running their businesses, which is one of the factors slowing down the sector's growth. Two main categories of issues plague MSMEs: internal and external. When it comes to solving their problems, micro, small, and medium-sized enterprises (MSMEs) typically encounter:

#### 1. Internal Problem

a. Low-Quality Human Resources

The quality of human resources is an essential factor in business development. However, most MSME actors face obstacles inadequately managed for MSMEs, such as people with low skills, knowledge, and expertise. Several things must improve to improve the quality of human resources, including capacity, skills, work ethic, personality, and understanding of entrepreneurship (Budiarto, 2019).

b. Weak Business Network and Market Penetration Ability

The MSME sales network is generally minimal, and market penetration is low. Low market penetration capacity is caused by limited capacity and quality of production so as not to meet market needs (Budiarto, 2019). MSME marketing methods use traditional marketing traditions and minimum market studies. Then, they face a common obstacle related to business networks: the difficulty of providing sustainable and high-quality raw materials.

c. Capital Problems

Capital is one of the essential factors in developing a commercial unit. Capital constraints affect the production process of SMEs. As a result, sufficient money needs to facilitate MSME actors in growing their businesses. This modal problem is a classic problem. Currently, MPM is considering having low access to funding sources from banks and other financial institutions. While there are many particular loans for small business owners, many SMEs do not get loans from banks or other financial institutions for various reasons.

d. Technology Problem

The utilization of technology in MSME business activities can provide added value to various products owned by MSMEs. However, most MSMEs still have weaknesses in the field of technology that can support the production process. This technology's ineffectiveness shows by MSMEs' inability to maintain service and product quality, lack of innovation, deficient production technology, and relatively low productivity (Budiarto, 2019: 34).

e. Organization and Management

Most small businesses are traditional succession companies, quickly sticking to tradition and being managed by individuals. This situation can see in the absence of a clear separation of duties between management and operations. Due to their traditional nature, most MSMEs manage by people who are, at the same time, the owners and managers of the company and employ family workers and parents' relatives. Organizational and management weaknesses can also acknowledge because most MPMs do not have legal entities. Very few MSMEs knew the importance of legal entities for their business.

# 2. External Problems

a. The Business Climate Is Not Completely Conducive

Government policies in developing MSMEs have been refined yearly but have not been conducive. This decision can see in unhealthy competition between large and small entrepreneurs. In addition, the development of MSMEs is less by various licensing problems such as time to

apply for extended investment permits, slow export procedures that make logistics and transportation costs uncompetitive, and corruption in customs, roads, and ports (Budiarto, 2019).

b. Limited Facilities and Infrastructure

Limited infrastructure is also one of the inhibiting factors for MSME performance. As a result, MSME products can be strong upstream but weak downstream. This situation means that MSME products are high quality and less competitive than products from advanced industries. However, MSME products are often vulnerable in infrastructure, advertising, and marketing. In addition, MSMEs often find it challenging to find a place to do business because of high rental prices or a slightly strategic location.

c. Implications of Regional Autonomy

The proper implementation of the spirit of regional autonomy will be able to maximize the potential of the local economy to become a real economic strength. Under these conditions, regional independence can become a driving factor for the development of MSMEs. However, if regional autonomy is practically understood and used to fulfill temporary interests, this will lead to false incentives, for example, in the form of new taxes on MSMEs. As a result, the competitiveness of MSMEs will decrease, and general business development will restrict if this situation is not quickly corrected.

d. Modern Market Expansion

The presence of a modern market that continues to grow will lead to the marginalization of MSME actors. The current market company negatively impacts the existence of MSME actors operating in stalls, grocery stores, and traditional markets. Modern needs are known to harm the presence of MSME actors, but in reality, the government is often powerless to restrain the expansion of current markets (Budiarto, 2019).

# **MSME Development Strategy**

Based on the information presented above, the strategy for developing MSMEs is either an effort or the right way to establish or improve the quality of MSMEs to achieve maximum goals and create better and developing MSMEs. The strategy chosen to develop MSMEs will determine the final result or plan. The more precise the method chosen when developing MSMEs, the better the results obtained by MSME actors. The strategy's objective for developing micro, small, and medium-sized enterprises (MSMEs), based on the challenges and strategic significance of MSMEs, is to establish as many MSMEs as possible that implement the principles of technopreneurship to create a dynamic and sustainable business.

## **Improved quality of human resources**

Human resources are individuals who work in companies that have succeeded in achieving organizational goals (Esay and Ardianti, 2013). In an organization, human resources are all the people who put activities. Another definition of human resources is the entire workforce of an organization or company that plays an essential role in its success (Sedarmayanti, 2018). Human Resources are all people in an organization who contribute to achieving organizational goals (Sidabatar & Seprini, 2018). Human resources are the only resources that have reasons, emotions, desires, skills, knowledge, encouragement, strength, and work (Sutrisno, 2016). From this explanation, we can understand that human resources interpret as resources that organizations or companies can use.

They are improving the quality of human resources, or human resource development is an effort to enhance the quality or capacity of individuals to achieve national development goals (Sedarmayanti, 2018). Human resource development is a deliberate effort to modify the behavior of organizational members or at least to increase the organization's ability to change (Piansa, 2020). The purpose of improving the quality of resources is related to the quality of human resources individuals, both in terms of physics and non-physical.

# Methods to Improve the Quality of Human Resources

The way that the quality of human resources develops or improves must base on the goals that are to accomplish, such as improving the skills and capacities of employees, improving employee

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skills, and improving employee performance. The following are some methods that can use to improve the quality of human resources (Hasibuan, 2020):

# a. Training Method

Training is an effort or method to increase employee capacity to develop employee skills, ability, expertise, and knowledge to work effectively and efficiently (Abdurohim, 2021). According to Sikula, training is a short-term educational process with a systematic and organized procedure in which non-managerial employees acquire knowledge and skills for specific purposes (Mangkunegara, 2019).

The training aims to improve human resources quality, increase productivity, improve individual morality, and increase employee capacity and knowledge development (Abdurohim, 2021).

# b. Education Method ( *Education Method* )

Educational methods play an essential role in the process of acquiring and improving the quality of skills of individuals. Education is an effort to advance personality and develop individual, physical and mental abilities both inside and outside school (Sedarmayanti, 2018). Furthermore, according to the Law of the Republic of Indonesia Number 2 of 1989 concerning the National Education System, education is an effort to prepare students for their future roles through counseling, education, and training activities (Sutrisno, 2016).

# **METHOD**

#### Types of research

A qualitative research methodology will utilize for the research that will carry out within the scope of this study. An approach and qualitative research method seek to investigate and comprehend the primary phenomenon. When researchers are the main instrument, data collection techniques are triangulated or combined, and data analysis is inductive or qualitative. The results of qualitative research emphasize a sense of generalization. The qualitative research method is a research method that bases on the philosophy of postpositivism, and it uses to examine the condition of natural objects. (Sugiyono, 2017).

In qualitative research, participant perspectives investigate using interactive and adaptable methods. Qualitative research aims to understand social phenomena from the participants' perspectives (Siyoto & Ali, 2015). Because of this, the researcher conducting this study needs to physically go out into the field and actively collect the data that will utilize.

#### **Research Time and Place**

Conduct this research at the Cracker Processing Business in Serang City. Conduct this research in April 2022. The researchers chose the research's location and object because the Cracker Business was one of the MSMEs that excelled compared to other MSMEs in the Serang City area. In addition, a study conducted on the Cracker Business in Serang City is because researchers are interested in knowing the MSME development strategy through improving the quality of human resources carried out by business owners in Serang City so that it can last up to approximately eight years.

#### **Data source**

In this study, the data required consists of several sources, including primary data sources and secondary data sources, which include the following:

- 1. Primary Data Source is data obtained from the source directly (Nasution, 2007). Primary data use from interviews and researchers' observations.
- 2. Secondary Data Sources are sources obtained from reading (Nasution, 2007), or it can say that researchers receive data indirectly. For example, secondary data from researchers in this study are books, journals, and theses related to the problem.

# **Data collection technique**

Informants who connected somehow to the cracker processing business in Serang City served as participants in this study. These included people who owned businesses in the cracker processing business in Serang City as well as people who worked in that business. The research process begins with the data collection procedure, which is the most strategic step. Although, in this qualitative study, the

data collection process occurred in a natural setting, the techniques for gathering this information focused primarily on participant observation, in-depth interviews (also known as in-depth interviews), and documentation.

# Data analysis method

Data analysis is systematically researching and organizing data obtained from interviews, field notes, and other materials so they can easily understand and the results can inform others (Sugiyono, 2017). By analyzing the data of this study, the researchers wrote using qualitative data analysis. This method of qualitative research is used based on techniques for data collection. Then the data obtained are analyzed to obtain conclusions that show the results of this study. In qualitative research, data from various sources use various data collection technologies (triangulation) (Sugiyono, 2017). Tasks involved in data analysis include, among other things, the reduction and display of data and the drawing and verifying of conclusions.

# **RESULTS AND DISCUSSION**

# 1. Development of Micro, Small, and Medium Enterprises (MSMEs) in Serang

Over time, cracker SMEs in Serang City have experienced good development, as evidenced by an increase in sales turnover, an increase in the workforce, an increase in the number of production from year to year, as well as the expansion of the company's premises. This activity follows the theoretical basis used by the author, that the criteria for the success or development of the company are in increasing sales turnover, increasing the number of workers, and commercial places in expansion.

The developments that cracker SMEs have tested in the city of Serang cannot divide from the efforts made by the owners in developing their businesses. The result of micro and meaningful enterprises (MSMEs) is vital because MSMEs play a significant role in economic growth in Indonesia, as well as in increasing people's capital and income. The development of micro, small, and medium enterprises (MSMEs) is an effort to advance, improve, and perfect.

According to Anoraga, business development is an effort to improve current and future work by facilitating business expansion, increasing the quality and quantity of production from economic activities, and moving the mind and energy to achieve specific goals (Abdurohim, 2021). Therefore, enterprise development is the responsibility of all economic actors and requires foresight, motivation, and creativity. If all business players can do this, they have high hopes of turning small businesses into medium-sized and even large companies; we can also say that MSMEs are increasing in scale or level.

In developing a business, business actors must consider a development strategy. The strategies chosen and applied in the development of MSMEs will affect the final results or goals desired by MSME actors. The better the method used, the better the achievement of MSME actors. If mapped in general terms, MSME problems can get controlled by improving the quality of several aspects: market aspects, technology, and innovation aspects, capital aspects, and management aspects.

In Adang's MSME Kerupuk Crackers in Serang City, the improvement aspects carried out in developing its business are as follows:

# a. Market Aspect

One of the most important factors is the market regarding micro, small, and medium-sized enterprises (MSMEs) growth. MSME actors use the market aspect to ensure that the products they produce can enter and continue to exist in the market. In the expectation that the company management will have a significant and lasting advantage over its competitors.

Based on the results of interviews with the manager of UMKM and company development, business owners try to ensure that products are produced in the market and can remain in the market, so that company owners develop the market. Therefore, this market follows the theory that one of the market expansion efforts is to carry out the planned development/expansion of consumers (Budiarto, 2019).

Not only do customers plan for the business to grow or expand, but the company owner also engages in activities that improve access to market information as part of the growing

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company. Expanding access to market information will acquire the appropriate information in the market and provide MSME players with the market information they require.

The owner of MSME Kerupuk Crackers in Serang City carried out a strategy on the market aspect, as stated in an interview with MSME actors. This strategy involved development and consumer expansion activities in increasing access to market information to maintain and develop the business, then enter and survive in the market.

# b. Aspects of Technology and Innovation

When starting a new business, one of the most important things to remember is the role technology, and innovation will play. It is possible to find answers to several production-related issues with the assistance of modern technology. Technology can also serve in packaging products or packaging products themselves. In addition, information technology can also be utilized in marketing, specifically the marketing of products through electronic mail and websites (Budiarto, 2019).

The production of kerupuk crackers in the City of Serang uses technology, and the same can say for marketing these products. Updating the kerupuk cracker cutting machine and mixer to make kerupuk cracker dough is an example of the technology utilized during production. Previously, the business proprietor used a straightforward or manual method to cut the crackers. Although, for now, only the kerupuk cracker cutting machine and mixer an update, the owners still take advantage of the existing technology.

In addition, the proprietor uses the marketing process, specifically online marketing, regarding information technology. Therefore, small and medium-sized enterprises (SMEs) from Serang City kerupuk crackers continue to follow the development of existing information technology and use it for liquid marketing, even though online marketing didn't use as the primary method of marketing.

Technological progress combined with innovation is one of the keys to realizing the advantages of MSMEs. Thanks to innovation, it will be able to promote productivity and competitiveness and increase the possibility of applying the principles of sustainable development. A company must be able to differentiate its products, provide quality products and meet changing market needs. Innovation can generate buyer interest in the products offered. Company competition determines by the ability to innovate in terms of product innovation to find new products or product changes and process innovation so that the same effect can produce at a lower cost.

By what is in the Cracker MSMEs in Serang City, the owner makes product innovations by modifying the product with the same kerupuk cracker product. For example, the owner changes the cracker by providing seasoning or flavor variants to become attractive in consumers' eyes. In addition, the owner is also very concerned about the quality of their products so that consumers do not feel disappointed with the products they produce.

# c. Capital Aspect

The availability of adequate working capital is one of the most critical factors in increasing business productivity and efficiency. [Case in point:] [Case in point:] Capital for a company can be acquired in several different ways, including through self-financing, borrowing from banks or other financial institutions, or receiving subsidies from the government. Because having access to an adequate amount of capital will make it easier to keep the business running smoothly, resulting in an increased likelihood of the company expanding in the future.

In the case of MSME Kerupuk Crackers in Serang City, the aspect of capital used by the owner is worth to the owner himself, without any assistance from any other party. It is the case even though no other party is involved. It's just that somebody offers raw materials to the owner, and eventually, sometimes, if the owner lacks raw materials, the owner takes the goods first and pays in the end. However, the owner still uses the owner's capital. Again, it happens because someone offers raw materials to the owner.

# d. Management Aspect

Managing a company effectively in a short time is not an easy task. Learning and experience are both necessary components of effective business management. MSME actors are required to have the ability to manage their businesses and find solutions to issues that arise within

their companies. The ability to respond quickly and appropriately to the challenges and problems faced by actors in the MSME sector is the key to maintaining one's position as a competitive actor. This capability connects to the level of competition between MSME actors in management. Therefore, developing and managing micro, small, and medium-sized enterprises (MSME) includes management as one of its key elements.

It is a personal/single management (one-person show) carried out by the owner of the kerupuk cracker processing business in Serang City. The owner carries out this management of the company. This activity demonstrates how he manages his business, as only the owner has complete control over it. Following the author's theory, most MSMEs grow traditionally, are owned by families that pass down from generation to generation, and are based on the tradition of managing their businesses individually (*one-person show*).

The data on the increase in sales turnover shows that the MSME Kerupuk Crackers in Serang City have increased sales volume and income from year to year. At the beginning of 2013-2014, the result was that the sales volume was 420 packs of crackers per day, and the income was Rp. 1,890,000/day. Then in 2015, there was an increase in sales volume of 600 packs/day and income of Rp. 2,700,000/day. In 2016-2017 there was an increase in sales volume of 800 packs/day and income of Rp. 3,600,000/day. In 2018-2019 there was an increase in sales volume of 1,000 packs/day and income of Rp 4,500,000/day. In 2020, there was an increase again, namely sales volume of 1,500 packs/day and income of Rp. 6,750,000/day. Then in 2021, MSME Crackers in Serang City experienced an increase in sales volume of 2,000 packs/day and income of Rp 9,000,000 / day.

# 2. Strategy Analysis of Micro, Small, and Medium Enterprises (MSMEs) Development Through Improving the Quality of Human Resources for "Kerupuk" (Crackers) MSMEs in Serang

The poor quality of the human resources available is one of the challenges that micro, small, and medium-sized businesses (MSMEs) frequently face during their growth. So naturally, the standard of the available human resources is a significant component in the expansion of a company. However, most of the actors involved in MSME face various challenges, many of which cannot resolve appropriately. These challenges include the capacity, skills, expertise, and level of professionalism of human resources are still low.

Human Resources are the entire workforce of an organization or company that plays an essential role in its success (Sedarmayanti, 2018). Human resources are the only resources that have a reason, emotion, desire, skill, knowledge, drive, strength, and work. The potential of human resources affects the company's efforts to achieve specific goals. With advances in technology, the development of information, the availability of capital, and the right resources, it is difficult for companies to achieve the desired goals without human resources (Sutrisno, 2016). Indeed, human resources play a significant role in influencing the progress and development of a business.

If micro, small, and medium-sized enterprises (MSMEs) have access to high-caliber human resources, they will unquestionably be able to grow. This situation is because the human resources of MSMEs affect the overall performance of MSMEs. Therefore, this demonstrates how important it is to enhance the quality of the human resources that are available to be successful.

A Kerupuk cracker manufacturing company can find in Serang, and thanks to the contributions of its workforce, it has flourished there in recent years because entrepreneurs can grow micro, small, and medium-sized enterprises (MSMEs) by improving the quality of their human resources. This activity follows the theoretical basis that the author uses, that one of the strategies in developing MSMEs is to carry out activities to improve the quality of human resources.

The following is a list of things that business owners in Serang City have done to improve the quality of the human resources available to kerupuk cracker MSME employees:

# a. Training

Training is an effort or method to increase employee capacity to develop employee skills, capabilities, expertise, and knowledge to work effectively and efficiently (Abdurohim, 2021). This training is related to the skills and capacities required for employees for the work performed. The training aims to improve human resources quality, increase productivity, increase individual morale, and enhance employee capacity and knowledge development.

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Small and medium-sized enterprises (SMEs) in the city of Serang that produce kerupuk crackers organize training activities for their employees to improve their capabilities, skills, and expertise and their job performance. Business owners provide training on employees at the beginning of new employees who start working at MSME kerupuk crackers in Serang City. The activity demonstrates and explains how to do the job, thanks to the examples provided by the company owner.

Based on the interviews, it discovers that the two most common approaches business owners take when providing employees with training are the Demonstration and Example method and the On the Job method. The owner uses this training to improve employees' abilities, skills, expertise, and knowledge in carrying out the work. As a result, employee performance is improving, which can assist the owner in developing the business. Therefore, the cracker processing company in Serang City served as the location for the employees of smaller kerupuk cracker businesses in the city to receive their training.

#### b. Education

The process of improving the quality of human resources, not only through the formal education provided in schools but also through the informal education provided in other settings, such as through activities like counseling and instruction.

For example, in the process of bettering the quality of human resources, Education for cracker SMEs in the city of Serang does not support formal education in schools, but education outside of school, as well as the owner of its employees by conducting training. With training, employees also carry out the learning process in a short time. Because with conditioning, employees are equipped with the knowledge and skills to work more efficiently and have expertise. Also, the owners of MSME kerupuk crackers in the city of Serang are also very concerned with their employees. In addition to teaching knowledge and skills, the owners also advise and encourage employees so that work errors do not occur.

Because of this, business owners utilize training as a short-term educational process for their employees. It is because, through training, employees can learn the skills and capabilities of both the employee and the skill owner. The results of the interview have shown that this is the Case. Therefore, employees have access to knowledge that helps them carry out the responsibilities of their jobs, which in turn affects the performance of employees, which allows MSME crackers in the city of Serang and contributes to their growth.

# c. Work experience

Work experience is a person's knowledge and skills at work and can measure by working time and the type of work a person has done for a certain period (Suwarno & Ronal Aprianto, 2019). Because someone with work experience already has the knowledge or skills or expertise that can make the implementation of work heard. Work experience also shows one's ability to do a better job.

Regarding work experience, the owner of a cracker-making business in Serang city prioritizes someone with work experience recruiting employees to work at their business location. In particular, work experience in a field of work similar to the place of the business.

It is clear from the interview outcomes that the proprietor of the kerupuk cracker processing company in Serang City has a strong preference for someone with previous work experience in recruiting new employees for his place of business. Because work experience makes a person more skilled in his work, n accordance with the reality in the field, employees who already have experience do not take long in the training process. However, the kerupuk Cracker SMEs in Serang City are also very open to employees without previous work experience. In their work, the owner acts pretty and does not discriminate between experienced and inexperienced employees.

## **CONCLUSION**

To improve the quality of human resources that kerupuk cracker SMEs carry out in Serang City to their employees, namely three (3) lines of training/training activities.

Namely, using work and demonstration methods and examples, in which the work owner orders new employees to pay attention to former employees doing work, then he is emphasized to practice it.

The owner makes demonstrations and explanations related to kerupuk cracker SMEs in demonstrations and examples of methods. They are improving the quality of human resources that carry out by crackers. In terms of education, crackers SMEs in Serang City use training as a short-term educational process for employees, precisely the coaching method, where the owner teaches skills to subordinates. Education Activities, kerupuk Crackers SMEs in Serang City in terms of education kerupuk Crackers SMEs in Serang City in terms of education use training as a short-term educational process for employees. The way to work experience, the owner of the kerupuk Cracker MSME business in Serang City supports someone with work experience in recruiting employees. However, the owner does not exclude the possibility for someone who has no work experience to be able to work in his business location.

The improvement in the quality of human resources that MSME kerupuk Crackers have implemented in Serang City helps the company's owners for the sustainability of their company and their business development process, which is why their company has survived up to this point. MSME kerupuk Crackers in the city of Serang has implemented aspects that must take into account to advance the quality of human resources. These aspects include elements of the personality as well as parts of productivity. This study has allowed MSME kerupuk Crackers to improve the quality of human resources.

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