

IDENTIFICATION OF HUMAN RESOURCE MANAGEMENT FUNCTIONS IN MEDIUM BUSINESSES

Fabiani Sofie*¹, Sisca Eka Fitria²

Universitas Telkom, Indonesia*¹²

fabianisofie@students.telkomuniversity.ac.id*¹

siscaef@telkomuniversity.ac.id²

Abstract: The Indonesian economy is dominated by MSMEs (Micro, Small and Medium Enterprises). MSMEs have a very important role because it can absorb labor and also contribute to GDP (Gross Domestic Product). CV. Kota Agung is one of MSME which has been established since 2006. This company also contribute to environmental sustainability by being a pioneer of tree planting in Indonesia. However, the company is experiencing problems with urgent human resource management to be addressed immediately. This study aims to determine the managerial and operational functions of human resource management applied in the CV. Kota Agung. Also, this study aims to determine which functions should be fixed. This study conducted interviews with directors, deputy directors, and branch heads of CV. Kota Agung to collect the necessary data and use using qualitative methods. The results of this study indicate that CV. Kota Agung has not implemented the overall managerial function of human resource management. Planning, organizing, controlling has not been well implemented. Also, CV. Kota Agung also has not implemented the operational function of human resource management as a whole. Procurement, development, maintenance and dismissal compensation shall be applied with good consideration.

Keywords: Human Resource Management, Managerial Function, Operational Function

INTRODUCTION

The Indonesian economy is dominated by MSMEs. The number of MSMEs in Indonesia is 57,900,787 units or 99.99% of the total business operators in Indonesia. The number of micro-businesses in Indonesia is 57,189,393 units or 98.77%. While Small Business in Indonesia as many as 654,222 units or 1.13%. Medium Business as many as 52,106 units or 0.09%. Only 5,066 units or 0.01% of Large Enterprises exist in Indonesia. That is, MSMEs have a very important role in the Indonesian economy. The number of MSMEs in Indonesia has continued to increase from 2009 to 2013. The increase in the number of MSMEs has a positive impact that can contribute even more to the Indonesian economy.

UMKM has an important role because it can absorb a lot of manpower. In 2009 MSMEs could absorb 96,211,332 people. With a very large workforce absorption, MSMEs can improve the welfare of the community,

reduce poverty, reduce unemployment and reduce crime rates in Indonesia and many other positive impacts. Indonesia is a country whose MSMEs can absorb the most labor.

Besides, MSMEs contribute to the Indonesian economy by contributing to GDP growth. In 2009 UMKM contributed 1,212,599 billion rupiah. Indonesia contributes to GDP growth reaching 57.8%. Indonesia ranks first compared to other countries in contributing to GDP. The manufacturing industry business sector is the third-largest MSME sector with a total of 4,416,289 business units. The manufacturing industry sector occupies the second position that can absorb the most labor, as many as 15,999,907 people. From the data above, it can be seen that the manufacturing industry is an influential sector in MSMEs.

The furniture business is one of the five businesses with the highest number of businesses in the manufacturing sector. The number of furniture businesses in 2011 was 88,994

business units. The furniture industry can contribute to GDP as much as 21,589 billion rupiahs in 2012. Also, the furniture industry can absorb a large workforce. In 2011, the furniture industry was able to absorb 317,471 people. If we look at the contribution to GDP, MSMEs only contribute around 59% with a unit share of 99.99%. That means MSME productivity is not proportional to the number of businesses. Several common problems occur in MSMEs, especially MSMEs in developing countries.

One of the MSMEs in Indonesia in the furniture business, CV. Kota Agung has been established for more than 10 years. This company sells plywood molded in various types and also sells office chairs. In addition to making a profit, the company also often gets awards from the government for its contribution to environmental sustainability. From the results of the interview with the deputy director CV. Kota Agung, some problems occur in the CV. Kota Agung namely in the fields of production, finance, marketing, and human resources. Of the existing problems, the most urgent problems in managing human resources must be solved, because given the problems that occur in the CV. Kota Agung happens a lot because of human resources.

The purpose of this study was to determine the managerial function of human resource management that is applied in the CV. Kota Agung, know the operational functions of human resource management that are applied in the CV. Kota Agung and know which functions must be improved by CV. The Great City.

According to Suryana (2013) entrepreneurship (entrepreneurship) is a discipline that studies the value, abilities (ability) and behavior of a person is facing life challenges and how to obtain opportunities with various risks that may be faced. According to Suryana (2013) entrepreneurial characteristics have six important components, namely self-confidence, results-oriented, risk-

taking, leadership, originality, future-oriented.

According to Solihin (2009) management can be determined as a process of planning, organizing, leadership and controlling various organizational resources to achieve effective and efficient goals. Also, Azis & Azis (2015) also determines that governance or management in business can become a science as well as a senior. Effective business management must be a combination of science and art. The role of management in business is very important because it is successful in business success in managerial management. In addition to assistance as an objective setting, management can help businesses to obtain resources for effective and efficient so that business can be directed to achieve support.

According to Koontz (Koontz and Wehrich, 1993) in Solihin (2009) management functions are grouped into five functions, namely the planning function, the organizing function, the staff function, the lead function, and the control function.

According to Sedarmayanti (2017), human resource management is a process of utilizing human resources that is effective and efficient through planning, mobilizing and controlling all values that become human strength to achieve goals. According to Wiludjeng (2007) human factors are important for organizational sustainability. To achieve organizational goals that are effective and efficient, the workforce needs to be managed properly. According to Zainal (2014), the functions of human resource management are organized into managerial and operational functions. According to Hasibuan (2012):

1. Planning

Planning (human resource planning) is the help of an effective and efficient workforce with the needs of the company in helping the goals to be realized. Planning is done by planning staffing programs. The staffing program

covers the organization, direction, control, procurement, development, compensation, integration, maintenance, discipline, and termination of employees. A good staffing program will help the achievement of the company, employee and community goals.

2. Organizing

Organizing is an activity to organize all employees by regulating the division of labor, work relations, delegation of authority, integration, and coordination in the organization chart (organization chart). The organization is a means to an end. A good organization will help achieve an effective goal.

3. Direction

Directing (directing) is an activity that directs all employees, so they are willing to work together and work effectively and efficiently in helping the achievement of the company, employee and community goals. The briefing is done by assigning subordinates to do all their duties properly.

4. Control

Control (control) is the activity of controlling all employees to obey company regulations and work according to plan. If there are irregularities or mistakes, make improvements and improvements to the plan. Control of work permits, discipline, behavior, cooperation, execution of work, and approval of environmental work.

Operational Functions of Human Resource Management According to Hasibuan (2012):

1. Procurement

Procurement (procurement) is the process of selection, selection, placement, transfer, and induction to get employees by company needs. Good procurement will help achieve the goal.

2. Development

Development (development) is the process of improving technical, evolutionary, conceptual, and moral skills through education and training. The education and training provided must be by future or future needs.

3. Compensation

Compensation (compensation) is direct (indirect) and indirect (indirect) compensation, money or goods to employees in return for services provided to the company. The principle of compensation is fair and appropriate. Fair is interpreted following achievement, feasible to be interpreted as being able to meet its primary needs and is guided by the government minimum wage limit and based on internal and external consistency.

4. Integration

Integration (integration) is an activity to unite the interests of the company and the needs of employees, to create harmonious and mutually beneficial cooperation. Company Receives profit, the company can meet the needs of the results of its work. Integration is important and difficult in human resource management because it brings together two conflicting interests.

5. Maintenance

Maintenance (maintenance) is an activity to maintain or improve the physical, mental, and loyalty of employees so that they continue to work together until retirement. Maintenance is carried out well by welfare programs that are larger than companies that are guided by internal and external consistency.

6. Discipline

Discipline is a superior human resource management function and the key to the realization of goals because without good discipline is the realization of maximum goals. Discipline is a

requirement and an obligation to obey company regulations and social norms.

7. Termination

Termination (separation) is the termination of one's employment relationship from a company. This dismissal is caused by an employee's wishes, the company's wishes, the work contract expires, awards, and other causes. This release was regulated by Law Number 12 of 1964.

METHODS

This type of research used in this research is descriptive research with qualitative methods. The method is called the qualitative method because it supports natural attractions and researchers as a key instrument. This research does not use the term

participation but is called "social situation" or social discussion which consists of places, challenges, and activities in the CV. The Great City. In this study, the sample used was information from the director, deputy director and the three branch heads of CV. The Great City. This study uses primary data sourced from interviews with five sources. The resource persons were the director, deputy director and head of branch CV. The Great City.

In this study, the data is presented in tabular form. What must be done and what happens? After the data is presented, it is concluded. The new findings were previously dim, now becoming clear.

RESULTS AND DISCUSSION

The following are the results of interviews conducted on five resource persons of CV. The Great City.

Table 1. Results of Interview Interviewees

Variables	Sub Variable	Indicators	Interview Results
Human Resource Management	Managerial Function	Planning	It does not regulate staffing programs.
		Organizing	The division of labor has been determined. However, organizing work relationships, delegating authority, integrating organizational charts and coordinating organizational charts have not yet been established.
		Briefing	Leaders with verbal directions and employees with those directives.
	Operational Function	Control	No rules specified. Violations committed by employees is to delay work hours.
		Procurement	The process has been completed, not done well. The employee selection and placement process have not yet been implemented. The agreed process and induction have been implemented well.
		Development	Training to improve technical skills has been implemented. However, education and training to improve skills, conceptual, and moral have not been implemented.
		Compensation	Giving compensation is following work performance. Not according to the minimum wage set by the government.
		Integration	The interests of companies and companies must be challenging.
		Maintenance	Employees are not given health insurance.
		Discipline	Discipline has been implemented well by employees.
Dismissal	Dismissal is not following the law. No.12 of 1964.		

Source: data that has been processed by the author

Based on the results of interviews with five speakers' CVs. Kota Agung, it can be seen that the managerial function of human resource management has not been established as a whole. CV. Kota Agung has implemented directions well. However, planning, direction, and control have not been well implemented. Poor planning will adversely affect the quality of the company's performance.

Organizing at CV. Kota Agung also has not been implemented as a whole. CV. Kota Agung has determined the division of labor of its employees. However, it has not yet established work relationships, delegated authority, integrated organizational charts and also coordinated organizational charts. Poor organization results in the company's goals not being achieved effectively. Also, controls that are not properly implemented can result in the absence of conditions that support the smooth and precise execution of tasks.

The operational function of human resource management in the CV. Kota Agung also has not been implemented thoroughly. CV. Kota Agung has implemented good integration and discipline. Procurement conducted at CV. Kota Agung also hasn't been done thoroughly. CV. Kota Agung has carried out the withdrawal process, but the implementation has not been carried out properly. A bad withdrawal process makes it difficult to get good employees. CV. Kota Agung also has not implemented the selection process and the placement of its employees properly. The selection process must be improved because it will result in companies getting employees who are not capable of completing work and cause difficulties for the company. Employee placement must also be improved because it can result in sub-optimal work results. However, CV. Kota Agung has carried out orientation and induction well.

CV. Kota Agung has not yet implemented a comprehensive development. CV. Kota Agung has conducted training to improve the technical skills of its employees.

However, CV. Kota Agung does not conduct education and training to improve the theoretical, conceptual and moral knowledge of its employees. Development must also be improved because it results in incompetent and skilled employees so that they cannot work effectively and efficiently so that their work is not good. In providing compensation to employees, CV. Kota Agung has applied the principle of fairness following its work performance. However, it is not following the proper principle which is guided by the government minimum wage. Compensation at CV. Kota Agung must apply the principle of feasibility because if not, it can result in the morale of qualified employees stopping and harming company performance.

This company does not apply maintenance properly. Employee maintenance must be improved because it can reduce morale, attitudes, and loyalty of employees, absenteeism and turnover increases, employee discipline can decrease so that company goals are difficult to achieve. Dismissal of employees at CV. Kota Agung has not been implemented well. Dismissal of employees should be following Law No. 12 of 1964 to avoid problems and minimize the negative consequences for individuals and companies.

CONCLUSIONS

From the discussion above, we can know that the function of human resource management that is applied in the CV. Kota Agung has not been implemented well as a whole. The managerial function of human resource management in the CV. Kota Agung needs to be improved is planning, organizing (establishing working relationships, delegating authority, integrating organizational charts and coordinating organizational charts) and also controlling. Also, operational functions that must be improved in the CV. Kota Agung namely procurement (improving the process of withdrawal, selection of employees, and also the

placement of employees), development (education and training to improve the theoretical, conceptual and moral capabilities of employees), compensation (proper principle), maintenance and dismissal of employees.

REFERENCES

- Azis, A., & Azis, M. (2015). *Bisnis dan Aplikasi*. Jakarta: Mardika Group.
- Hasibuan, M. (2012). *Manajemen Sumber Daya Manusia*. Jakarta: PT Bumi Aksara.
- Sedarmayanti. (2017). *Perencanaan dan Pengembangan SDM Untuk Meningkatkan Kompetensi, Kinerja, dan Produktivitas Kerja*. Bandung: PT Refika Aditama.
- Solihin, I. (2009). *Pengantar Manajemen*. Jakarta: Erlangga.
- Suryana. (2013). *Kewirausahaan: Kiat dan Proses Menuju Sukses*. Jakarta: Salemba Empat.
- Wiludjeng, S. (2017). *Pengantar Manajemen*. Yogyakarta: Graha Ilmu.
- Zainal, V.R., Ramly, M., Mutis, T., dan Arafah, Wi. (2014). *Manajemen Sumber Daya Manusia Untuk Perusahaan*. Jakarta: PT Raja Grafindo Persada.