

# Human Resources Readiness, Capital and Marketing on The Performance of UMKM on Pajangan, Bantul

*by Sri Kussujaniatun*

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## **Human Resources Readiness, Capital and Marketing on The Performance of UMKM on Pajangan, Bantul**

**Sri Kussujaniatun, Anis Siti Hartati**

Universitas Pembangunan Nasional Veteran Yogyakarta  
E-mail address [sri.kussujaniatun@upnyk.ac.id](mailto:sri.kussujaniatun@upnyk.ac.id); E-mail address [anis.sitihartati@upnyk.ac.id](mailto:anis.sitihartati@upnyk.ac.id)

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### **Abstract**

The purpose of this study was to determine the influence of several variables in influencing the performance of UMKM in running a business and innovating. This research method uses surveys, interviews, and questionnaires. The analysis model used is multiple regression, to analyze the influence of human resources as measured by the level of education, motivation, mastery of technology in product innovation, then aspects of business capital which are measured from bank loan assistance, non-bank loans, equipment assistance, and raw materials, as well as the marketing aspect measured from the wooden batik products marketed according to the needs of the community, the price determined by wooden batik UMKM according to the quality of the product, promotions carried out by wooden batik UMKM, adequate workplaces, the impact on the performance of UMKM. The implementation of the results of this research is that it is necessary to empower the community through training and mentoring of wooden batik craftsmen, especially training to improve the quality of human resources both in terms of product design and product innovation, and training in financial aspects and digital marketing in order to improve the performance of batik crafters of UMKM. Wood in Kreet Village, Pajangan District, Bantul.

Keywords: human resources, capital, marketing, the performance of UMKM

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## **I. INTRODUCTION**

Government Program to Increase Human Resources for Tourism The government through the Ministry of Tourism (Kemenpar) is committed to improving the quality and competitiveness of human tourism resources, which this year is manifested in an activity program by facilitating certification activities for 35,000 workers in the tourism sector in 2016. These efforts are made to increase the quality of service for tourists, which this year targets the arrival of 12 million foreign tourists (tourists) and 260 million movements of domestic tourists (wisnus) in the country. (APBN Bulletin, 2017).

The thing that is the focal point, in this case, is human resources; many of our human resources are still low in readiness to face Industry 4.0, especially the consumptive culture that is evident in several young generations of Indonesia. Only a few of them have a clear vision and mission related to business development towards industry 4.0, but according to the Ministry of Industry, on average, industrial businesses in Indonesia have a readiness of 78% in facing industry 4.0, and this is considered very positive and is being strived to continue to be improved.

Increasing the community's economy is one of the policies of the Bantul Government to alleviate poverty; the community is required to be more developed and more creative in developing skills and utilizing existing potential. One of the efforts being promoted by the Bantul Regency government is the development of a tourist village.

According to Tambunan, capital or cost is a very important factor for every business, whether small, medium, or large scale.<sup>2</sup> Meanwhile, according to the large Indonesian dictionary in Ardi Nugroho Listyawan, venture capital is money that is used as the principal or parent for trading, releasing money, and so. Property (money, goods, and so on) which is usually used to produce something to increase wealth. According to Veitzal Rivai, performance is a result or level of individual success as a whole during a certain period in carrying out tasks compared to several possibilities, such as standard work results, targets, goals, and criteria determined by mutual agreement.

According to the interview conducted by the research team during the pre-survey with Mr. Agus Jati Kumara, one of the managers of Kreet Tourism Village, the sales/income data for Kreet Tourism Village in 2018 was IDR 750,000,000.00 and in 2019 IDR 835,000,000.00. There are 57 wooden batik workshops, 75 batik tutors, 35 homestays, and 25 tour guides. Not only offers wooden batik, but Kreet Tourism Village also offers tourists batik activities, traditional art performances, village exploration, traditional games, tree planting, culinary delights, and homestays. Of the number of tourism actors (UMKM), their readiness is still low to face industry 4.0. Because during the Covid-19 pandemic, many stopped producing, they were not ready to compete in product innovation and manage digital marketing. Based on this, the problem in this study is whether human resources, capital and marketing affect the performance of UMKM in the tourist village of Kreet.

## II. LITERATURE REVIEW

According to Tri Wahyu Rejeki Ningsih (2004), a Small industry includes all companies or businesses that carry out activities to change basic goods or semi-finished goods or from goods of less value to goods of higher value.

In connection with small businesses, there are several special characteristics of small businesses as stated by Sutojo, et al. (1994) in Baswir (1998):

1. More than half of the small companies were founded as small-business developments.
  2. Apart from capital problems, other problems faced by small businesses vary according to the level of business development.
  3. Most small businesses are unable to meet the administrative requirements for obtaining bank assistance.
  4. Nearly 60% of small businesses still use traditional technology.
  5. Nearly half of the small companies only use the installed capacity of less than 60%
  6. The market share of small businesses tends to decline both due to lack of capital, technological and technological weaknesses, and managerial weaknesses.
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7. Nearly 70% of small businesses do direct marketing to consumers.

The results of previous research conducted by Kussujaniatun and Kismantoroaji (2017) that it is hoped that the community, knowing and realizing that in their area, there is a lot of potentials, especially in terms of utilization, it is necessary to study aspects of social improvement and economic improvement. Meanwhile, research conducted by Hartatiti Anis (2020) shows that entrepreneurial spirit is the dominant variable affecting program success. The implementation of the results of this study is that it is necessary to empower the community through KUBE training and mentoring, especially entrepreneurship training, which in the future can increase PKH income and independence, which is the success of the KUBE program.

According to Veitzal Rivai (2015), performance is a result or the overall success rate of an individual during a certain period in carrying out a task compared to several possibilities, such as work standards, targets, goals, and criteria determined by mutual agreement. The quality of human resources plays a very important role in the performance of UMKM; most UMKM has grown traditionally and is a business that has declined and declined. The limited quality of human resources in terms of education, knowledge, and skills greatly affects the management of business management. HR needs to be developed by developing competencies to increase productivity supported by technological developments, bearing in mind that many UMKM still uses simple methods both in the use of technology and in marketing, which are still very limited. Not only HR plays an important role in the performance of UMKM; marketing also has an important role because marketing is the life to increase sales and increase the selling value of a product.

### III. RESEARCH METHODOLOGY

This research method uses descriptive analysis using primary data obtained by distributing questionnaires to wooden batik craftsmen and secondary data obtained from related tourism villages. The analytical tool is in the form of Multiple Regression, which is expected to provide an explanation of the model regarding the influence of the quality of human resources, the ability of business capital, and the marketing aspects of its influence on the performance of UMKM of wooden batik craftsmen. The research sample was a wooden batik craftsman who actively participated in the number of 57 people, and was on Kreet Pajangan Village, Bantul.

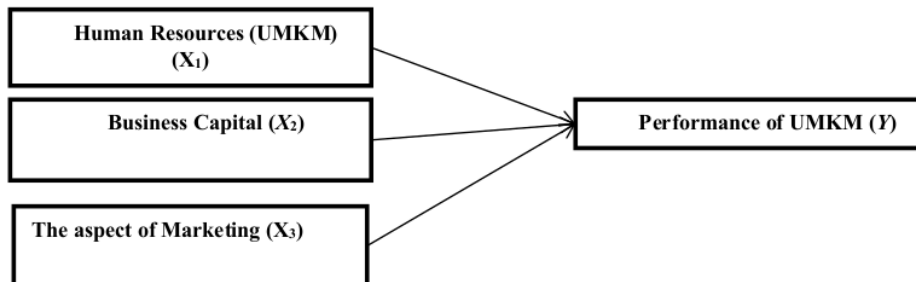


Figure 1. Variables and Variable Indicators

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Based on the research design, there are several variables to be examined, such as The independent variable consists of human resource variables (X1), business capital variables (X2), marketing aspects variable (X3), the dependent variable is the performance of UMKM (Y)

Human resource variable (X1)

Variable indicators: education level (X1.1), motivation (X1.2), mastery of technology in product innovation (X1,3)

Business capital (X2)

Variable indicators: Bank loan assistance (X2.1); loans from non-bank parties (X2.2); Equipment and raw material assistance (X2.3)

Variable aspects of marketing (X3)

Variable indicators: wooden batik UMKM products that are marketed according to community needs (X3.1), the price determined by wooden batik umkm is in accordance with the quality of the product (X3.2), Promotions carried out by umkm wooden batik are on a scale (continuously) (X3 .3), Adequate workplace (X3.4)

Performance Variables of UMKM

has several sub-variables that have indicators, namely:

1. Sub Variable Increase in production and business  
Indicators: Total production; Production quality; Addition of production types
2. Sub Variable Operational capacity improvement  
Indicators: Manager capability; Technique improvement; Teamwork; Increase in labor productivity
3. Sub Variables Increased cooperation and market access  
Indicators: Increased cooperation; Increase in marketing area; Increased trust from consumers.

#### **IV. FINDING AND DISCUSSION**

The analysis technique used is multiple regression analysis.

X1 = Human resource variable

X2 = Variable of business capital

X3 = Variable aspects of marketing

Y = UMKM Performance Variable

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Table 1. Coefficients

M Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	35.945	2.576		12.783	.000
	X1	.227	.143	.136	2.589	.004
	X2	.591	.211	.378	2.804	.003
	X3	.109	.031	.289	3.481	.001

a. Dependent Variable: Y

The path equation can be written as follows.  $Y = 0.227 X1 + 0.591 X2 + 0.109 X3 + \epsilon1$  Furthermore, based on the results of statistical testing, it is found that there is a significant effect of each independent variable (X) on the dependent variable (Y) with the first detail, human resources (X1), Business capital variable (X2), marketing aspect variable (X3) have a significant effect on the UMKM.Performance Variable (Y). The more the quality of human resources increases, the performance of UMKM also increases. Likewise, the stronger the business capital is, and the more the marketing efforts are, it will further improve the performance of UMKM.

## V. CONCLUSION AND FURTHER RESEARCH

The results showed that human resources, business capital, marketing aspects had a significant effect on the performance of wooden batik crafters of UMKM. Based on this, the implementation of the results of this study is that it is necessary to empower the community through training and mentoring of wooden batik craftsmen, especially training to improve the quality of human resources both in terms of product design and product innovation, and training in financial aspects and digital marketing in order to improve. UMKM performance of wooden batik craftsmen in Krebet Village, Pajangan District, Bantul.

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