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Increasing The Efficiency of Employment Administration Through Human Resource Management Practices at CV Sofie Local Food

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ABSTRACT

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This research explores Human Resource Management (HRM) Practices in MSMEs. The research study was conducted at one of Palu's typical souvenir shops. Research shows that implementing strategic management decisions improves performance and develops employee potential. SOPs and digitization of employee data provide internal efficiency and positive contributions to the local economy. It is necessary to optimize SOPs, improve HRM practices, and emphasize training to develop technical skills and motivate employees, especially those who have just joined. By implementing appropriate SOPs and HRM practices, MSMEs can continue to develop, contribute positively to local economic growth, and maintain Palu's culinary cultural heritage. This research is expected to expand the literature on developing HRM practices in MSMEs, especially in Indonesia.

INTRODUCTION

To increase the competitiveness and quality of a company, improving and developing employee performance is also a priority and challenge that must be faced in welcoming the era of globalization (EY Putri et al., 2022), Especially since the COVID-19 pandemic occurred. Human resource management (HRM) is key to maintaining performance and good employee relations (Imbron & Pamungkas, 2021), especially in employment.

As an incomparable resource, employment requires fostering efforts, direction, and protection to create well-being related to their work (Amelyawati et al., 2023). So, efforts are needed to develop, direct, and protect workers to create prosperity related to what they do (Sinaga & Zaluchu, 2003), for example, in an employment contract agreement, such as fixed working hours and salary (Rusilowati, 2020).

Employment is generally managed by human resource management (HRM). HRM is very necessary to ensure the continuity of the organization. HRM is part of the strategic planning process. The implementation of the Company's transformation process in achieving competitive advantage is supported by sources of competitive advantage, which include physical resources, financial resources, structure and organizational process systems, and human resources (HR) (Permadi, 2023). HRM as a whole is the determination and implementation of various activities, regulations, and various other programs that aim to produce employees or workers who are skilled and have quality (EA Putri et al., 2022). So, it requires practice in its application.

HRM practices describe management processes that enable an organization to gain valuable knowledge, influence innovative activities, and improve overall performance (Singh et al., 2021). Supporting factors for efficient Human Resource Management (HRM) practices involve HRM practices, Human Resources (HR) tools, and learning culture (Subramanian & Suresh, 2022). HRM practices include recruitment and selection, training and development, and participation and rewards (Simbolon et al., 2021). The goal is to create a competitive advantage for the Company, including job security, selectivity in recruitment, information exchange, employee participation and empowerment, training and skills development, incentive systems, competitive wage settings, and promotions (Pfeffer, 2001).

Based on current developments in the literature, HRM practices analyze productivity, turnover rates, and financial performance and how they relate (Nurjaman et al., 2020). Therefore, HRM practices are related to the Company and the relationship between employees and the Company. The work environment also influences employee welfare and their desire to remain in the Company (Pebria & Syaebani, 2023). However, HRM practices in Micro, Small, and Medium Enterprises (MSMEs) involve various workforce and human resource management activities on a smaller business scale (Herliyani et al., 2023).

Several studies have been conducted on the relationship and application of HRM practices (Nurjaman et al., 2020; Pebria & Syaebani, 2023; Simbolon et al., 2021). For example, research by Nurjaman et al. (2020) states that to improve company performance in global competition, the Company's approach must be strategic in considering current developments. However, this research did not look at a smaller company scale regarding implementing HRM practices. Then research by Prabria and Syaebani (2023) also found that the implementation of HRM practices can also be supported by the work environment, which will influence whether employees will stay in the Company, especially in beauty clinics. However, this research only focuses on companies operating in the services sector. The potential for growth of MSMEs in Indonesia can realize economic growth in Indonesia (Zia, 2020) with the increasing number of job opportunities available, especially in Palu. Because the Palu city government appreciates local products created by the community, they can increase regional income (Risnawati et al., 2022).

The increasing increase in MSMEs cannot be separated from the role of business creativity in competing (Nurcahyanti & Ruscitasari, 2022). Therefore, this research aims to fill the knowledge gap regarding Human Resource Management (HRM) practices at the Micro, Small, and Medium Enterprises (MSME) scale. Although previous research has revealed a relationship between the implementation of HRM practices and company performance, more information is still needed related to the implementation of HRM practices in MSMEs, the main players in economic growth in Indonesia.

This research was conducted at CV. Sofie Local Food, a typical Palu souvenir shop, is central to promoting and preserving local culinary riches. This shop plays a role in the local economy and maintains culinary cultural heritage; however, with rapid business growth, CV. Sofie Local Food needs help to manage labor administration, especially with manual processes that may be less efficient considering the growing scale and complexity, increasing demand, and product diversification.

Facing continuously developing business dynamics, digitizing human resource management is an urgent need (Muliawaty, 2019), especially in administration, which includes all structuring activities related to implementing an organization's administration. The process aims to provide meaningful information for those who need it or determine policy (Dewi, 2020). Therefore, the implementation of HRM Practices at CV. Sofie Localfood is expected to provide the latest solutions to increase administrative efficiency, positively impact productivity, and improve the quality of company services. Increasing the labor administration's efficiency provides internal benefits and contributes to economic and social development in Palu.

This research aims to evaluate the employment administration process at CV. Sofie Localfood and designing the more efficient implementation of HRM Practices. Specific objectives involve applying theoretical knowledge, identifying solutions to administrative challenges, and making a practical positive contribution to CV Sofie's local food. This is expected to make a positive contribution to CV. Sofie Localfood through innovative ideas and a deep understanding of market trends and customer needs. With proper implementation, it is hoped that it will make a real contribution to improving the employment administration performance of CV Sofie Local Food, support the Company's sustainable growth, and positively impact the local community in Palu.

RESEARCH METHOD

This research uses a qualitative approach to understand the phenomenon deeply through interpretation and descriptive analysis (Ardiansyah et al., 2023). In Participatory Observation (Achjar et al., 2023) on CV. Sofie Localfood, the researcher, is directly involved in the daily activities of these MSMEs. This method allows researchers to observe and understand the operational context of CV in depth. Sofie Local food and dynamics that may not be revealed through interviews or documentary studies alone. By being present directly at the location, researchers can feel the business atmosphere, observe interactions between employees and customers, and gain insight into the challenges that MSMEs may face in their daily activities. Participatory observation is an effective approach to understanding business realities at CV. Sofie Localfood.

RESULTS AND DISCUSSION

This research comprehensively evaluates the employment administration process at CV Sofie Local Food. The evaluation results show that although the manual process has been running well, there is potential to increase efficiency, especially in recruitment, training, performance evaluation, and employee data management. The importance of increasing efficiency is seen as a response to CV business growth. Sofie Localfood continues to develop and diversify its products.

More than effective manual processes are required to manage increasing scale and complexity. Therefore, implementing HRM Practices (HRM) in digitalization is considered a relevant and timely solution (Wahyudi et al., 2023). The implementation of HRM practices has had a positive impact on several critical aspects of human resource management at CV. Sofie Local food, which can be seen in Table 1.

Table 1. Implementation of HRM Practices

No.	Types of HRM Practices	Description and Suggestions
1	Training Aspects	Increased employee effectiveness and involvement in advancing service quality The positive impact can also be seen in employee performance evaluations, which can now be done more objectively and measurably.
2	Employment Administration	Using computer equipment so that inputting the required broadcast data can be used for sales systems

No.	Types of HRM Practices	Description and Suggestions
	Efficiency	and serving customers over a long period. The age range of workers in this Company includes two male workers aged 25-50 years, then added with five female workers aged 23-50 years.
3	Introduction to HRM Practices	Integration with existing systems such as payroll and performance appraisal

Source: Primary data, 2024

Based on the implementation of HRM Practices in Table 1, it can be concluded that CV. Sofie Localfood has stronger management in making strategic decisions to improve individual performance and develop employee potential. Furthermore, improving employee data management through digitalization provides information that is more accurate and easily accessible. The importance of increasing the efficiency of labor administration is not only internal to CV operations. Sofie Local food also positively impacts economic and social development in Palu by increasing job opportunities and supporting local entrepreneurs. Sofie Local food can be the main pillar in encouraging sustainable growth and positively impacting local communities.

Therefore, it is necessary to carry out job training and improve certain aspects, which can be the first step in creating productive employee performance and a high work ethic, especially for new employees who join this Company, which can be seen in Table 2.

Table 2. Support Needed in HRM Practices

No.	Regarding	Description and Suggestions
1	Skills and competencies	Learn about the latest methods, more efficient processing techniques, and the latest industry trends that can improve product quality Training can provide an understanding of procedures and compliance with applicable food regulations
2	Adapt to change	Reduces resistance to change and increases acceptance of innovation
3	Increased productivity	Highly educated workers tend to be more productive. With the help of training, business processes can be better understood, and daily tasks become more efficient.
4	Understanding new systems	Reduce uncertainty and ensure that the system is fully exploited.
5	Improving occupational safety and health	Understanding of cleaning methods, safe use of equipment, and food handling.
6	Understand roles and responsibilities	Deepen the work context, which includes Teamwork and contribution to overall company goals. The importance of training lies in the ability to make employees understand the Company's expectations for

No.	Regarding	Description and Suggestions
		individuality and Teamwork Employees learn to communicate with colleagues, communicate effectively, and integrate into a collaborative work environment
7	Reduce error rate	Reduce the risk of errors in production processes, management, and other tasks
8	Implementation of Employee Attendance Procedures	The main director carries out the recruitment process directly, and employee data collection uses fingerprints.

Source: Primary data, 2024

Table 2 shows that training is about developing technical skills and building employee motivation and loyalty. By better understanding collective responsibility, teams can work synergistically, create a positive work culture, and strengthen corporate identity. Training helps employees understand the positive impact of their contribution to the Company's vision and mission, creates a sense of ownership of their work, and increases motivation to achieve higher performance. Thus, training forms a strong basis for improving individual and team performance, leading the Company toward collective success, and creating a work culture that focuses on collective success. As a valuable investment in human resource development and achieving company goals, structured training provides short-term benefits and builds a solid foundation for long-term growth and sustainability.

Meanwhile, some things need to be improved on the CV. Sofie Localfood, so the implementation of HRM practices can run more optimally, as shown in Table 3.

Table 3. Evaluation results of HRM practices among employees

No.	Evaluation	Description and Suggestions
1	Employee attendance and punctuality	Production employees must attend and leave the work environment at specified times. It is not permitted to represent, sign someone else's attendance register, or provide false information. Lateness and absence are considered a violation of the rules unless there is an acceptable reason. Absent employees must notify them via SMS or telephone, and permission must be given the day before. Production starts at 07.00 WITA, and other activities are carried out before working hours or during breaks.
2	SOP and work culture	Implementing SOPs is the key to creating a disciplined and efficient work culture. The SOP includes timeliness, prohibition of providing false information, handling delays, and structuring production time. Following SOPs helps ensure effective HR management, productivity optimization, and sustainable growth.

No.	Evaluation	Description and Suggestions
3	The urgency of SOPs in employee discipline policies	Attendance and punctuality Restrictions on representation and signing of attendance lists Transparency and accountability Discipline for tardiness and absence Effective communication Production time management

Source: Primary data, 2024

The attendance and punctuality of employees at CV Sofie Local Food are strictly regulated, ensuring production employees attend and leave the workplace according to a predetermined schedule. The prohibition on representing or providing false information and disciplinary action against delays is an integral part of the Company's Standard Operating Procedures (SOP). Implementing this SOP covers attendance and punctuality and includes prohibitions against actions that could disrupt employee transparency, accountability, and discipline. SOPs are operational guidelines and the key to establishing an efficient and disciplined work culture. By following SOPs, companies can manage human resources effectively, increase productivity, and create a solid foundation for sustainable growth. Therefore, SOPs have a high urgency in employee discipline policies, forming the basis for achieving the Company's long-term success.

CONCLUSION

This research emphasizes that managing labor administration can influence organizational performance and employee welfare. The Company shows commitment through regular monitoring and evaluation to ensure compliance with labor regulations and adjust policies according to business needs. For example, setting working hours, managing absences, and clear health and leave policies. Implementing HRM practices is a strategic step in improving workforce management. Evaluation and analysis of management processes, adjustments to HR Practice functions, and their implementation positively impact operational efficiency and data accuracy and reduce the risk of human error. The prohibition against misrepresentation, providing false information, and discipline against delays shows the Company's commitment to maintaining sustainability and sustainable growth. Therefore, SOPs have a high urgency in employee discipline policies, providing a strong basis for achieving long-term company success.

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