

IMPLEMENTATION OF SUSTAINABLE HUMAN RESOURCE MANAGEMENT IN MICRO, SMALL AND MEDIUM ENTERPRISES

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Abstract

MSMEs have an important role in economic development, but are often faced with challenges related to optimal human resource management. Therefore, this research aims to investigate and analyze the implementation of sustainable human resource management in micro, small and medium enterprises (MSMEs). This research uses a qualitative approach with descriptive methods. The research results show that the implementation of Sustainable Human Resource Management (MSDMB) in Micro, Small and Medium Enterprises (MSMEs) has a positive impact on sustainability aspects. MSMEs that are aware of the importance of sustainability tend to adopt practices such as involving employees in decision making, optimizing energy use, and supporting social activities in local communities. Employee well-being is also a key concern, providing healthcare facilities, work-life balance policies and incentives for those who contribute to sustainability initiatives. Sustainability performance reporting was also found to increase corporate transparency. Overall, the implementation of MSDMB in MSMEs not only creates a positive impact on business operations, but also contributes to economic growth and sustainability at the local level.

Keywords: Human Resources Management, Sustainable, MSMEs

A. INTRODUCTION

In the era of globalization and increasing awareness of sustainability, MSMEs (Micro, Small and Medium Enterprises) are increasingly realizing the importance of adopting human resource management practices that encourage sustainability (Sari et al, 2023). Awareness of the environmental and social impacts of business operations has encouraged companies to integrate sustainability aspects into their human resource management strategies. In this context, awareness is the main key, where a deep understanding of the implications of business practices for sustainability becomes the basis for decision making (Tampubolon, 2016).

Action also plays a crucial role, where MSME actors need to implement concrete steps to reduce negative impacts and increase positive contributions to sustainability (Mulyani et al, 2023). This involves changes in recruitment processes, employee development, performance management, and other internal policies that support sustainability values (Ong & Mahzan, 2020). Completeness of accurate data and information is also an important factor in measuring the effectiveness of sustainability practices. Collecting data on resource use, greenhouse gas emissions

and social impact can help companies understand their sustainability performance. The completeness of this information allows companies to carry out continuous evaluation of their human resource management practices (Firdaus, 2023).

Having awareness is an important first step for MSME players in developing their commitment to sustainability. This awareness involves understanding the importance of sustainability factors, such as environmental protection, social responsibility, and employee welfare (Nurjaman, 2020). MSME actors who are aware of the importance of sustainability tend to adopt practices aimed at reducing negative impacts on the environment and society (Walenta et al, 2023).

The importance of environmental protection is a major concern for MSME players who are committed to sustainability. Awareness of efficient use of resources, responsible waste management, and selection of environmentally friendly raw materials are important aspects in their operational strategy (Harjanti, 2004). Concrete steps such as implementing environmentally friendly technology, using renewable energy and sustainable waste management are an integral part of the sustainability practices adopted by these MSMEs (Siswanto et al, 2022).

Apart from that, social responsibility is also the focus of MSME actors who are aware of sustainability. They tend to be involved in initiatives that support local communities, such as education programs, skills training, or providing jobs for vulnerable groups (Atmaja, 2018). Through this involvement, MSME actors can strengthen positive relationships with the community and create a positive impact in social aspects.

Employee welfare is also a serious concern for MSME players who are committed to sustainability (Permatasari, 2023). Safe working conditions, wellness programs, and employee support policies are an integral part of their efforts to create a sustainable work environment. Increasing employee welfare not only has a positive impact on productivity and loyalty, but also reflects the sustainability values promoted by these MSME players (Kusumawijaya & Astuti, 2012).

MSME players who are committed to sustainability will take concrete steps to implement sustainable human resource management practices. For example, they can involve employees in decision making regarding sustainability through participatory mechanisms, such as discussion forums or internal sustainability committees (Mansyur et al, 2023). By involving employees, MSME actors can ensure that the sustainability policies and programs adopted reflect shared values and aspirations, which in turn increases employee involvement in efforts to achieve sustainability goals (Wahdiniawati et al, 2024).

Apart from that, MSME players who are committed to sustainability can also develop policies for efficient energy use. This involves monitoring and managing energy consumption in daily operations, as well as investment in renewable energy technology (Herliyani et al, 2024). By reducing dependence on conventional energy sources, companies can not only reduce environmental impacts but also cut long-term operational costs (Rosari et al, 2022).

Furthermore, efforts to reduce waste and emissions produced during the production process are also important steps in sustainability practices. MSME players can adopt a recycling-based

approach, minimize hazardous materials, and implement more efficient production processes (Umami et al, 2022). In this way, it not only creates a more environmentally friendly production environment, but also makes a positive contribution to the company's reputation in the eyes of consumers who are increasingly concerned about sustainability (Novarini & Dewi, 2023).

The aim of this research is to explore and analyze the implementation of Sustainable Human Resource Management (MSDMB) in Micro, Small and Medium Enterprises (MSMEs). This research aims to investigate the extent to which MSMEs have integrated MSDMB practices in their operations and to evaluate their impact on business performance and sustainability. By gaining an in-depth understanding of MSDMB practices at the MSME level, this research aims to contribute to the related literature and provide useful insights for MSME owners, government and other stakeholders. The benefits of this research include providing practical guidelines for implementing MSDMB in MSMEs, increasing awareness of sustainability among business owners, and providing the basis for policies that support sustainable economic growth at the micro and small levels.

B. METHOD

In this research, the method used is a qualitative approach with a descriptive research strategy. The choice of qualitative method was based on the aim of answering the problem formulation and exploring meaning in marketing phenomena through gamification (Yulianah, 2022). The descriptive approach was chosen because it is able to provide detail and depth in understanding phenomena without being limited by numerical representation. The data analysis process follows the Miles & Huberman (1994) model, which consists of four main stages: data collection, data reduction, data display, and withdrawal/verification. Data reduction is carried out to simplify information, support the formation of accurate arguments, and potentially produce new knowledge contributions in the form of concepts or theories.

C. RESULTS AND DISCUSSION

Implementing Sustainable Human Resource Management (MSDMB) in Micro, Small and Medium Enterprises (MSMEs) involves a number of strategies and practices that support sustainability goals. Several forms of implementing MSDMB in MSMEs include:

1. Employee Participation in Decision Making

MSMEs that are committed to sustainability can implement policies that involve employees in the decision-making process regarding sustainability aspects. This strategy can be realized through several methods. First, companies can form a sustainability committee consisting of employee representatives from various levels. This committee is tasked with developing and evaluating sustainability action plans, as well as providing diverse views to ensure broader representation of employee interests.

In addition, holding regular discussion forums is an effective way to hear employee input and ideas regarding sustainability. This forum can be a platform for employees to share experiences, suggestions, or even come up with innovative ideas in the context of sustainability.

By providing space for employees to actively participate, companies not only enrich their sustainability perspective, but also strengthen employees' sense of ownership and involvement in the company's efforts.

Furthermore, providing training to employees on sustainability can increase their understanding of current issues and best practices. This training may include knowledge about the environment, corporate social responsibility, or green technology. By increasing employee sustainability literacy, companies provide a strong basis for active participation in realizing corporate sustainability goals.

Overall, involving employees in sustainability decisions not only results in more holistic policies, but also creates an inclusive and empowering work environment. This strategy supports the company's sustainability vision by utilizing the unique potential and contribution of each individual within the organization.

2. Energy and Resource Management

MSMEs that are committed to sustainability can take concrete steps by adopting policies to optimize the use of energy and natural resources in their operations. First, companies can invest in more energy efficient technologies. For example, replacing old equipment with more energy efficient equipment or using renewable energy sources such as solar panels. This not only helps reduce a company's carbon footprint but can also generate long-term cost savings through operational efficiencies.

Furthermore, MSMEs can focus on using sustainable raw materials. This involves selecting raw materials that have a lower environmental impact, both in production and in the product life cycle. This policy not only supports environmental sustainability but can also improve the company's image in the eyes of consumers who are increasingly aware of environmental aspects. Implementing clean production practices is a crucial step in MSME sustainability policies. It involves production processes that minimize waste and emissions, and support recycling and reuse of resources. By implementing this practice, MSMEs not only contribute to environmental preservation but also create a more efficient and sustainable production process.

Overall, through optimizing energy use, using sustainable raw materials, and clean production practices, MSMEs can achieve more holistic sustainability. This policy is not only beneficial for the environment, but can also increase company competitiveness, meet the demands of consumers who are increasingly concerned about sustainability, and contribute to the formation of a sustainable business ecosystem.

3. Training and Education Programs

MSMEs that are committed to sustainability can increase employee awareness and participation through implementing training and education programs related to sustainability aspects. First, the program could focus on understanding environmentally friendly practices. Employees can be provided with knowledge about how to reduce environmental impact through everyday actions, such as saving energy, reducing waste and choosing sustainable raw materials.

This kind of training not only increases employee sustainability literacy but also helps create a corporate culture that cares about the environment.

Furthermore, training and education programs can cover aspects of work ethics related to sustainability. This involves understanding the values of sustainability in a business context, including integrity, transparency and social responsibility. By equipping employees with a work ethic that focuses on sustainability, companies can build a strong organizational culture and create an environment where sustainability is considered a central principle in every decision and action.

Additionally, the program can include elements of corporate social responsibility (CSR) in employee training. Employees can be given insight into the positive impact a company can achieve through participation in CSR activities, such as making contributions to local communities, supporting educational initiatives, or collaborating with charities. This kind of training not only builds employee pride in the company where they work but also makes a positive contribution to the surrounding community.

By implementing this comprehensive training and education program, MSMEs not only increase employee competency in the context of sustainability but also create an organizational culture that focuses on sustainability values. Success in applying this knowledge and values in daily activities will make a positive contribution to the company's overall sustainability performance.

4. Employee Welfare Development

Paying attention to employee welfare is a crucial foundation in implementing Sustainable Human Resource Management (MSDMB) in the Micro, Small and Medium Enterprises (MSME) environment. First, providing adequate health facilities reflects the company's commitment to the physical well-being of employees. This includes access to routine health check-ups, preventative health programs, and support for necessary health care. By creating a work environment that supports health, companies can increase employee productivity and reduce absenteeism due to health problems.

Furthermore, the work-life balance policy is a progressive step in supporting employee welfare. Providing flexibility in work hours, providing remote work options, or adopting leave policies that support employees' personal needs, can increase job satisfaction and create an inclusive work environment. By embracing work-life balance, MSMEs can create a positive atmosphere that strengthens employees' psychological well-being and supports sustainable performance.

Equally important, providing incentives to employees who contribute to sustainability initiatives creates an additional incentive for active participation. Incentives can take the form of public recognition, performance bonuses, or special career development. By giving appreciation to employees who are involved in sustainability efforts, the company not only motivates individuals to play an active role, but also builds a work culture that prioritizes sustainability values.

Overall, paying attention to employee welfare, both in physical and psychological aspects, is a key element in implementing MSDMB in MSMEs. These steps not only create a work

environment focused on sustainability, but also strengthen the relationship between the company and employees, resulting in a positive impact on employee satisfaction, loyalty and ongoing productivity.

5. Engagement with Local Communities

MSMEs that understand their strategic role in building the welfare of local communities can activate themselves in various social and economic activities. First, support for community projects is a concrete step to demonstrate company involvement in advancing local prosperity. This could include investment in infrastructure, education, or health projects that provide direct benefits to local communities. By getting involved in these projects, MSMEs can become a driving force for positive change in their communities.

Furthermore, empowering local communities is an integral part of the active participation of MSMEs in social and economic development. Companies can provide skills training, open local job opportunities, or support local micro-enterprises to improve the household economy. This strategy not only creates a sustainable economic impact, but also strengthens positive relationships between companies and communities, creating a win-win atmosphere that reflects a commitment to sustainability.

Apart from that, MSMEs can promote local products as part of efforts to support sustainable economic growth. This can be done by establishing partnerships with local producers, marketing local products at the national or international level, or involving local communities in the product value chain. By promoting local products, MSMEs not only make a direct contribution to the local economy but also build a positive image as agents of sustainable economic development.

6. Monitoring and Reporting Sustainability Performance

Implementation of Sustainable Human Resource Management (MSDMB) in Micro, Small and Medium Enterprises (MSMEs) requires a systematic approach in recording and monitoring sustainability performance. First, measuring environmental impacts is the main focus in order to achieve sustainability. This includes evaluation of resource use, waste production, and energy management. By identifying environmental impacts in detail, MSMEs can identify opportunities for improvement and reduce their ecological footprint.

Achievements in reducing carbon footprints are a significant indicator of sustainability performance. MSMEs can implement carbon emission reduction strategies, such as using renewable energy, environmentally friendly transportation, or increasing energy efficiency. Continuous measurement and monitoring of these reductions in carbon emissions allows companies to evaluate the effectiveness of the steps taken and make adjustments if necessary.

Furthermore, achieving other sustainability goals involves evaluating various aspects, such as social and economic sustainability. Recording the number of jobs created, positive impacts on local communities, or efforts to improve employee welfare conditions are examples of sustainability parameters that can be measured. By recording these achievements, MSMEs can ensure that they not only focus on environmental aspects but also pay attention to the social and economic dimensions of sustainability in a balanced way.

Reporting sustainability performance results is a critical step in maintaining company transparency and accountability. By presenting data and achievements clearly, MSMEs build the trust of consumers, business partners and other interested parties. Regular and measurable reporting also helps MSMEs to obtain constructive input and feedback, which in turn can be used to continuously improve their sustainability practices.

D. CONCLUSION

Implementing Sustainable Human Resource Management (MSDMB) in Micro, Small and Medium Enterprises (MSMEs) involves a series of strategies and practices to support sustainability goals. MSME companies' awareness of the importance of sustainability is a significant first step, by understanding factors such as environmental protection, social responsibility and employee welfare. The importance of involving employees in decision-making regarding sustainability is a key emphasis, with the establishment of sustainability committees, holding discussion forums and providing training to ensure active participation. MSMEs can also optimize energy use, manage natural resources efficiently, and implement clean production practices to reduce environmental impacts. Furthermore, MSME companies can improve employee welfare by providing health facilities, work-life balance policies, and providing incentives to those who contribute to sustainability initiatives. Active involvement in social and economic activities in local communities, such as supporting community projects and promoting local products, is also an important step in creating a positive impact at the local level. In terms of recording and monitoring sustainability performance, MSMEs can measure environmental impacts, reduce carbon footprints, and achieve other sustainability goals. Reporting performance results not only increases company transparency and accountability, but also builds trust with consumers and other stakeholders.

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