

## HUMAN CAPITAL STRATEGY AND DEVELOPMENT OF MSME PERFORMANCE: CASE STUDY OF SUKABUMI ANGET BREAD BUSINESS PERFORMANCE

Hesri Mintawati

Universitas Nusa Putra, Indonesia

Email: hesri.mintawati@nusaputra.ac.id

### Abstract

*This study analyzes the human resource development of Roti Anget Sukabumi and aims to improve the performance of MSMEs by managing human resources to achieve performance. Small and medium enterprises (MSMEs) are the most important joint ventures in Indonesia's economic activities. The food industry in particular recorded very positive developments and contributed significantly to the country's economic growth. Bread is one of the alternative substitutes for instant food and is very popular among the general public because it is convenient and can be enjoyed by all circles. The research method used is qualitative. Data obtained in the study using observation, interviews, and documentation tools. Research findings show that companies provide human resource management to capitalize on potential market opportunities in the bakery industry. The increasing number of bread producers and consumers will affect the increasing competition among bakery companies. The purpose of this study is to determine the strategy of human resource management (MSMEs) to strengthen the national economy in the Anget Bread business. The conclusion that can be drawn from this study is that, given the importance of human resources in company activities, companies not only need to rely on technological advantages and financial resources, but also manage their human resources optimally. Also about the human factor. Of course, to achieve business results requires the provision of competitive and high-quality human resources.*

**Keywords:** Human Capital, Human Policy, Strategy.

### INTRODUCTION

The Indonesian economy has had a significant impact on micro, small, and medium enterprises (MSMEs). In particular, the food industry has experienced significant growth and has made a significant contribution to the national economy. Because food is a basic human need for every citizen, especially in Indonesia, there will always be a need for food. Therefore, the food business is quite profitable due to the many business opportunities. Many investors are also interested in starting a food business in Indonesia, particularly in Sukabumi. Micro, small, and medium enterprises (MSMEs) are crucial to the Indonesian economy, particularly the food industry, which has experienced tremendous growth and significantly contributed to national economic growth. Food is a basic necessity for every living being, and the need for it will persist as long as there are people worldwide, especially in Indonesia. Due to the numerous business opportunities available, the food business is very promising. Many investors are interested in establishing culinary businesses in Indonesia, particularly in Sukabumi.

The main point of this study is that human capital is the main factor of production when compared to other factors such as money, labor, and technology. Many business owners are unaware of the fact that their profits actually come from human labor; this is due to the fact that human capital and assets have the potential to negatively impact the

organization's working capital. More effective and professional HR management will maximize business performance. This is to say, developing company performance in the bakery industry. Currently, bread is part of everyday life and human food, given the decline of small-scale manufacturing. The continued growth of the bakery industry encourages bakery companies to develop new products and effective marketing strategies (Rahayudi, Santoso, and Laksmana 2019). Especially since the government implemented the Large-Scale Social Protection Program.

Businesses need to be more proactive in appointing human resources as human resources that need to be carefully considered and continuously improved according to changes in the dynamic business environment. Businesses must implement HR management procedures that can improve human resources in this MSME company. The purpose of measuring human resources is to determine the impact of human behavior on organizational processes. This study aims to determine how to evaluate human resources as a means to improve the fruit business. One of the creations of MSME chefs, this warm bread was created in 2019 and has been operating for the past five years. Mr. Hidayat, the owner, was born in Sukabumi and uses the best ingredients available without the need for preservatives to make warm bread.

Interviews with business owners revealed several challenges facing their businesses in growing their businesses. One marketing issue is that Indonesians view bread as a snack, not a staple food. According to (Erstiawan, Candraningrat, and Wibowo, 2021), the monotony of various warm bread flavors is a weakness for the company. A company's success depends on innovation to differentiate its products. Companies that differentiate themselves will grow, improve, and thrive (Rusdian & Hildayani, 2021). The relationship between human capital and the development of this warm bread small business is a crucial point in efforts to achieve company performance, especially in the Sukabumi Warm Bread Micro, Small, and Medium Enterprises (MSMEs). Therefore, in an effort to improve company performance and develop the performance of the Sukabumi Warm Bread MSME, the role of MSMEs should be to strive for HR or Human Capital to implement the program so that its quality is further improved and can run according to targets.

Because the development and improvement of HR competencies, they are considered a hedge against future events. In addition, company performance is everything produced by the company by following predetermined standards over a certain period. In addition to internal issues, this business also faces external challenges, such as the presence of other businesses selling similar products, which inevitably threatens its sustainability. Recognizing this, entrepreneurs must develop a plan to address these issues. This is due to the fact that the growing bakery industry in Sukabumi has excellent potential to drive economic growth. The productivity of Roti Anget Sukabumi is clearly not up to standard. Several factors are somewhat at odds when it comes to providing customers with the best possible service, such as poorly informed staff members who don't fully understand the menu items offered, leaving customers unaware of the details available. Furthermore, the quality of sales service is affected by customer service issues and delays in processing orders,

resulting in inaccurate and minimal results for employees.. A SWOT analysis can be a tool for selecting effective strategies because it is easy to use. SWOT stands for strengths, weaknesses, opportunities, and threats. Strengths are conditions related to your current strengths, while weaknesses are conditions related to your current weaknesses. By knowing these, you can improve your current weaknesses. Opportunities or threats are conditions related to your current opportunities, and threats are conditions related to threats. (Muhammad, 2020).

Interviews, the primary method of data collection in this study, utilize a qualitative approach, enabling researchers to gain a better understanding of Human Capital and MSME Performance Strategies in the Sukabumi Hot Bread business. To conduct the interviews, researchers employed critical analysis of the collected data. This method not only allows researchers to record the respondents' responses but also to understand the underlying meaning of those responses, observe specific patterns, and explore areas that may not be immediately apparent. By conducting open and flexible interviews, researchers were able to gather various insights into the development of the Sukabumi hot bread business and its performance. Furthermore, researchers actively engaged in the interpretation process, considering the social, cultural, and organizational contexts that might influence business actors' perceptions. Therefore, it is hoped that this research will help determine the most efficient approach for hot bread businesses to grow.

## **METHOD**

In this paper, the research method applied is a qualitative approach, using interviews as the primary method of data collection. Qualitative research is a way to understand problems related to human capital development strategies for Roti Anget MSMEs in Sukabumi. The researcher's sample consisted of producers based on certain criteria, such as their experience with the service provided to consumers regarding Roti Anget. The first stage of the interview is a data collection technique using a question-and-answer system between the researcher and the informant. Next comes observation. This directly relates to the activities of the person being observed and involves the data source. As the research progresses, the results of the observations will evolve. This stage is completed by informing the source that the data is being collected for research purposes. Next, the third stage is documentation, in this case in the form of someone's writing or drawings. Documentation complements the interview method and observation in qualitative research. The types of data required in this study are primary and secondary. Primary data is reliable, verbally generated data. The author obtained primary data through direct observation at one of Sukabumi's Anger Bread production facilities. Secondary data, on the other hand, is internal and comes directly from the Anger Bread factory.

## **RESULTS AND DISCUSSION**

History and Overview of Roti Anget MSME is a culinary company that offers bread with various flavors. Roti Anget MSME was established in 2019 on Jl Widyakarma, Cicadas,

Lembursitu Sukabumi, West Java. Roti Anget was founded by Mr. Hidayat and has been in business for five years, but this business does not yet have its own product name. However, Roti Anget is already known to everyone and generally has its own characteristics that distinguish it from other breads. Although this company does not have a clear vision and mission, from interviews with informants it can be concluded that the main vision of Roti Anget MSME is to develop and maintain a business that is beneficial to the environment. This business will improve the quality of its products, add a variety of bread flavors, and provide undisturbed service to customers. Roti Anget MSME has 13 employees consisting of 10 bread makers and 3 people who help with marketing.

### **Performance analysis**

Performance analysis at the Roti Anget Sukabumi company is still considered lacking because the company has not been able to achieve performance determined by individual factors and personal motivation. The company's performance has not been achieved because it still encounters obstacles from both machines and employees. Therefore, the company must pay more attention to all aspects to achieve better company performance. However, from the results of interviews with informants at Roti Anget Sukabumi, this company has often succeeded in improving the quality of its employees and improving its performance through human resources. Based on the interview results, this Roti Anget business, which is increasingly competitive, requires a more comprehensive and integrated contract to improve the company's performance in this MSME.

Based on the interview results, human capital plays a crucial role, along with capital (money), labor, natural resources, technology, and the production process. To improve the quality of human resources and develop Roti Anget products, it is necessary to identify employee deficiencies. If this is deemed insufficient, assignments will be assigned. Of course, the company faces several obstacles. These obstacles stem from the demands of the company's goals and the need for employees to improve their performance. Because the company has a strategic system communicated to its employees, these employees influence the strategic system, and this strategic system influences the performance of MSMEs in Roti Anget Sukabumi.

The prices of warm bread offered can be seen in this table:

<b>WARM BREAD PRICE</b>	
<b>Flavor</b>	<b>Price</b>
Pineapple	Rp. 2,000
Chocolate	Rp. 2,000
Mung beans	Rp. 2,000
Cheese	Rp. 2,000
Coconut	Rp. 2,000
Strawberry	Rp. 2,000

The purpose of this study is to evaluate how well the Sukabumi warm bread MSME is developing. Based on the analysis findings, it is evident that the product variable - warm bread - has a variety of flavors and affordable prices, making it accessible to all groups. The location of warm bread is easily accessible to customers, and the price of warm bread is in accordance with its quality. It is easier for customers to find warm bread products because of its location close to the city and residential areas, and the fact that the company travels to each targeted location to sell its products. An effective marketing tactic is to simplify things for customers. Based on survey results, one of the most important factors crucial to achieving the desired profit level offered by human labor for the Roti Anget MSME bakery business is competitive pricing that aligns with market conditions and quality standards. The Roti Anget MSME's pricing strategy consistently provides easily negotiable prices during negotiations due to the aforementioned product pricing strategy (Mait, Lumanauw, Samadi, 2022).

Having successfully developed the product into various flavors and received positive feedback from customers, the warm bread MSME now wants to advance to the next phase of growth: realizing the product's potential. Opportunities are positive factors that arise from the environment and provide opportunities for people to capitalize on them. Feedback is not only in the form of policies or capital input, but also in the form of responses to the product (Prastiwi, 2019). An opportunity to improve the work environment for Roti Anget MSMEs lies in having positive working relationships with customers. Furthermore, having a product line that is well-received by customers is crucial. Therefore, Roti Anget MSMEs should make the most of these opportunities:

a) Quality of Work

The employees' work is complicated and lacking, as they don't understand the menu items intended for customers. As a result, when customers ask questions, they can only answer based on what they know. Furthermore, employees lack attention to detail when working.

b) Service

Roti Anget is sold by going around various designated locations. If a buyer places an order, they can order it from the seller.

c) Location strategy

Each hot bread shop has a different location and does not have a fixed sales location; this can also be done by walking to the shop or stand.

d) Limited work area

This MSME's production is largely for domestic needs. Therefore, if there is high demand for services, they must be provided as quickly as possible, ideally within hours or days of production.

e) Many new requests

To run a large business, there are numerous new competitors operating in similar fields. This intense competition presents a significant risk for entrepreneurs. Therefore, entrepreneurs need to improve their human resources to improve product quality and quantity, as producers and consumers grow.

One strategy used by companies to improve the quality of human resources is to design and implement employee development programs that better align with employee needs and organizational goals. This will optimize employee productivity, meeting both business and employee needs. The aforementioned development programs will impact both individuals and organizations.

## **CLOSING**

### **Conclusion**

Overall, MSME development is an effort by the government, the business world, and the community to support MSMEs in their performance in Roti Anget through the provision of facilities, advice, and support, as well as to further enhance their growth, capabilities, and competitiveness. MSMEs play a crucial role in the Indonesian economy, primarily because they contribute significantly to product development and job creation. With the contribution of human resources to company development performance, these MSMEs are considered economically resilient and capable of supporting the stability of the financial system and the economy. An example of an MSME engaged in the culinary sector is Roti Anget. Roti Anget, a small and medium enterprise in Sukabumi City, has successfully developed products and improved its performance and production processes, and hot bread with different flavors is in high demand by consumers. Loti Angers' way of supporting MSMEs is by building good relationships between economic actors and consumers. Moreover, Roti Anget MSMEs have a good product image from the perspective of consumers. Therefore, MSMEs must take advantage of their business opportunities and provide more workers to increase Angier Roti production.

Based on the results of research and discussion regarding Human Capital at Roti Anget Sukabumi, the author can draw the following conclusions:

- a) Roti Anget Sukabumi is a small culinary company. This is necessary to deliver more reliable performance and achieve business results.
- b) Roti Anget Sukabumi's human resources and raw material resources still require management and skills development to improve competitiveness and achieve company performance, particularly regarding individual performance and motivation.
- c) Roti Anget Sukabumi desperately needs quality human resources and raw materials to compete in production and performance. Therefore, we ensure that all the skills and energy required by the company are fully utilized in their current roles to achieve effective results, while also allowing flexibility to handle other tasks outside the company as needed.

### **Suggestions**

Based on the research and discussion above, despite limited knowledge, the author provides several recommendations that can be considered regarding human resources in improving and developing MSME products at Roti Anget Sukabumi to achieve business performance:

- a) Human resource management and development must be prepared so that employees can achieve their best potential and performance in accordance with the programs that have been created.
- b) It is better to prepare the company's human resource strategies and policies according to employee needs to face future challenges and competitive situations.
- c) Employee training and evaluation are essential to ensure that employees know what to do and have the necessary skills to work among producers, traders, and consumers. Furthermore, addressing employee motivation issues and providing mutual motivation and advice to shift paradigms is crucial.

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