



Role of Human Resource Management (HRM) in Creating MSMEs' Competitive Advantages in Kerinci Regency

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ABSTRACT

Purpose: This study examines the extent to which MSMEs fully utilize human resource management (HRM) to enhance competitiveness and adapt to dynamic market conditions. **Methodology:** Using a descriptive research method with a qualitative approach, the study incorporates a literature-based analysis of effective HR practices to assess their impact on MSME performance and sustainability. **Results:** The findings show that effective HRM practices, including skill development, work culture enhancement, and employee motivation, significantly influence MSME competitiveness. By leveraging strategic HRM, MSMEs can adapt to current circumstances and ensure long-term survival. **Findings:** This research highlights that HR serves as a cornerstone for MSME growth, enabling them to compete at local and national levels. **Originality:** The study offers a unique perspective on HRM's role in improving MSME competitiveness, particularly in the context of Kerinci Regency. **Novelty:** It addresses a gap in the literature by focusing on HRM as a critical factor in MSME sustainability and competitive advantage in emerging markets. **Conclusions:** Strategic HRM practices are crucial for enhancing MSME efficiency, employee satisfaction, and competitiveness. Collaboration among stakeholders is essential to realize MSMEs' growth potential. **Type of Paper:** Empirical research paper.

INTRODUCTION

We are now living in an era of free trade, where the current conditions make it seem as though there are no borders or barriers separating countries. In such a situation, every nation must have the right strategies in place to maintain and grow its economy. Domestic economic sectors are required to withstand the influx of foreign products while also developing schemes to expand outward. The current global socio-economic paradigm has entered a period that is both tough and, at times, ruthless. As a result, it becomes a shared concern among policymakers in every country to safeguard and preserve their economic strength against external expansion.

In facing this reality, economic development through the empowerment and competitiveness of Micro, Small, and Medium Enterprises (MSMEs) becomes an imperative. Strengthening MSMEs is crucial for enhancing a nation's economic capacity toward achieving high and sustainable economic growth. MSMEs not only contribute significantly to the Gross Domestic Product (GDP), but also play a vital role in absorbing labor, ensuring equitable distribution of development benefits, and alleviating poverty.

In Indonesia's domestic economic growth, Micro, Small, and Medium Enterprises (MSMEs) have proven their ability to drive and stimulate national economic development. They play a vital role in maintaining resilience during various crises, consistently serving as a key engine of the nation's economy (Soekiman et al., 2018). Small and Medium Enterprises (SMEs) are one of the economic sectors that contribute significantly to Indonesia's economy. SMEs also hold a strategic position in strengthening national economic development, as they serve wide markets and absorb a large number of workers (Murtadlo & Hanan, 2018). As small-scale businesses, MSMEs have shown resilience and continue to provide income sources, employment opportunities, and contribute to improving the economic system while ensuring the continuity of the nation's economic cycle (Novitasari, 2022).

In order to succeed in an increasingly dynamic business environment, MSMEs must be capable of rapid adaptation (Safari et al., 2023). However, they often encounter major obstacles such as restricted access to funding, outdated technological systems, and limited human resource capabilities. Strategic HRM practices can help MSMEs overcome these barriers and maintain competitiveness (Philip & Armstrong, 1997). The issue of competitiveness remains a persistent concern for MSMEs, as it is influenced by both internal and external factors.

A key challenge is that many MSMEs struggle to secure financing due to insufficient collateral, low levels of financial literacy, or failure to meet banking requirements. These limitations make it difficult for businesses to grow or even maintain their operations. Financial constraints also hinder technological adoption, with many MSMEs still relying on outdated methods. This reliance reduces productivity and operational efficiency, making it difficult to compete with larger firms that benefit from more advanced systems and broader resources.

In an exertion to showcase their items, MSMEs within the districts as often as possible experience impediments in entering more extensive markets, both broadly and globally. Typically a result of the need of information and get to to the worldwide showcase, counting the restricted utilize of computerized innovation. As a result, the market reach of MSME products remains limited, often confined to local areas. These products typically struggle to compete with imported goods or those from large-scale companies that benefit from greater production efficiency and lower costs. Consequently, consumer interest in local products tends to decline. This challenge is largely due to MSMEs' limited understanding of global market trends and their slow adoption of digital technologies. However, through HRM initiatives, such as training employees in digital marketing and market analysis, MSMEs can develop the necessary competencies to address these barriers.

Another major hurdle for MSMEs is their constrained ability to respond to challenges, primarily due to weak human resource capacity. Without skilled personnel, MSMEs often experience stagnation, fall behind market trends, and operate inefficiently (Sedarmayanti, 2010). This stagnation is linked to the lack of trained staff, particularly in areas like business management and technology utilization. Enhancing the quality of human resources through targeted HRM practices, such as recruitment, training, and employee retention strategies, is crucial for the growth and sustainability of MSMEs (Khalil et al., 2023).

In today's fast-paced and competitive business climate, MSMEs must adopt a strategic approach to Human Resource Management. Enhancing HRM enables these enterprises to adapt more effectively to change and maintain long-term viability. By employing resources and skills to effectively and efficiently manage MSME organizations, they can accomplish their predetermined objectives (Hauser et al., 2020).

As for the best practices for HR governance for MSMEs that we collect, among others, we see that the best practices for MSME HR governance, according to experts, where MHM governance is closely related to the sustainability of MSMEs where the ability to determine direction and MSMEs is closely related to resource governance, which exists (Khalil et al., 2023).

METHOD

To gather the necessary data and insights, this study employed a descriptive research design using a qualitative approach (Creswell & Poth, 2017). The research relied heavily on a literature review, analyzing various sources such as online publications, scholarly articles, and relevant documentation available globally. This method allowed for an in-depth and flexible exploration of the topic, ensuring that the information collected supported the formation of well-grounded conclusions. The approach also ensured that the outcomes of the study could be practically applied by institutions and stakeholders involved in enhancing human resource practices within MSMEs (Patton, 2002).

RESULTS AND DISCUSSION

RESULTS

1. Definition of MSMEs

Micro, Small, and Medium Enterprises (MSMEs) refer to business entities that are categorized based on their scale of operations and economic capacity. In developing nations like Indonesia, MSMEs hold a vital position in the economic landscape as they significantly contribute to employment generation, social welfare improvement, and the stimulation of local economic development (Bisri et al., 2024).

As outlined in Indonesia's Law No. 20 of 2008, MSMEs are defined using several criteria, including asset value, annual revenue, and workforce size (Lubis & Salsabila, 2024). The classification is as follows:

a) Micro Enterprises

These are productive ventures owned and run by individuals or small business entities that meet the criteria for micro-scale operations, including assets not exceeding IDR 50 million (excluding land and buildings used for business) and an annual turnover of no more than IDR 300 million.

b) Small Enterprises

These are independent economic units operated by individuals or entities that are not affiliated as subsidiaries or branches of larger companies. They typically possess assets between IDR 50 million and IDR 500 million, with annual revenues ranging from IDR 300 million to IDR 2.5 billion.

c) Medium Enterprises

These are also independently run businesses but on a larger scale than small enterprises. They are not classified as large companies and are characterized by assets valued between IDR 500 million and IDR 10 billion, and annual turnover between IDR 2.5 billion and IDR 50 billion.

Across the globe (including in Indonesia) MSMEs serve as a critical pillar of the economy. They play a central role in GDP contribution, provide widespread employment, foster grassroots innovation and entrepreneurship, and are especially instrumental in improving livelihoods in rural and underserved regions.

2. Competitiveness

Competitiveness is a crucial factor in the economic cycle, particularly in the production of goods and services aimed at meeting market demand (Rakanita, 2019). It plays a vital role in

enhancing both the capacity and quality of a company's products, requiring well-planned and maximum efforts from all departments involved within the organization.

Porter has contended that firms compete with one another in universal markets instead of as countries (Porter, 1980). When considering competitiveness, the accentuation must not be set on the economy as a entire but on particular businesses and industry fragments. Competitive advantage (or competitiveness) comes about from the contrast between the esteem a firm is able to make for its buyers and the fetched of making that esteem (Rudianto, 2009).

Several factors influence a company's competitiveness, including innovation, which refers to the company's ability to create relevant products or services that offer added value to consumers; efficiency, which involves optimizing and conserving the use of resources without compromising product quality; and quality, the company's ability to produce goods or services that meet or exceed customer expectations.

In addition, technology plays a crucial role, particularly in utilizing modern technology to boost productivity and gain a competitive edge. Human resources are also key, as the competence, creativity, and productivity of the workforce are essential assets for maintaining competitiveness. Infrastructure contributes by providing supporting facilities such as transportation, communication, and energy, which ensure smooth operations.

Finally, government policies and regulations serve as important determinants through the implementation of conducive policies in areas such as taxation, education, and investment, which create space for companies to grow and thrive optimally.

3. Human Resource Management (HRM)

Human Resource Management (HRM) is a strategic process that involves comprehensive engagement across the stages of planning, organizing, directing, and controlling every aspect of human resource management activities within an organization. The ultimate goal is to ensure that organizational objectives are achieved through a clear and well-directed concept that optimizes the performance of all organizational components.

As stated by Sedarmayanti, HRM is an approach to managing human issues based on three core principles (Sedarmayanti, 2010): (1) Human resources are the most valuable and essential assets owned by an organization or company because its success is largely determined by the people within it, (2) Success is highly achievable if company policies, procedures, and regulations related to human resources are interconnected and beneficial to all parties involved, (3) The organizational culture, values, and managerial behavior derived from that culture significantly influence the achievement of optimal results.

HRM is characterized as the method of securing, preparing, assessing, and compensating representatives, and of going to to their labor relations, wellbeing and security, and decency concerns (Dessler, 2020). In another definition, HRM is both a science and an craftsmanship related to the viable and proficient utilization of human capabilities to attain objectives inside each organization (Mathis & Jackson, 2010). Essentially, Hasibuan characterizes HRM as the science and craftsmanship of overseeing labor relations and parts viably and effectively to assist realize the objectives of the company, representatives, and society (Hasibuan, 2016).

Broadly speaking, Human Resource Management serves to determine workforce needs, both in terms of quantity and quality. In recruitment and selection processes, HRM functions to attract and choose suitable candidates for specific positions. It also plays a vital role in improving the skills and competencies of human resources within an organization to ensure that every department meets its performance targets. As a result, HRM helps maintain a harmonious working relationship between management and all organizational components.

The primary objectives of human resource management (HRM) in organizational development include:

- a) Enhancing the overall efficiency of organizational operations.
- b) Creating a work environment that is both comfortable and supportive.

- c) Cultivating and maximizing the potential of each employee.
- d) Striking a balance between the organization's objectives and the well-being of its workforce.

To deepen the understanding of HRM's influence on MSME competitiveness in Kerinci Regency, it is important to include real-life examples that demonstrate practical application. For instance, a local Kerinci Arabica coffee business that participated in digital marketing training and restructured its workforce can serve as a valuable case. With focused HR strategies such as training in e-commerce and performance-based incentives, the enterprise reportedly expanded its market reach beyond the local area and saw a rise in monthly sales. These examples not only reinforce the theoretical significance of HRM but also highlight its direct, measurable benefits for MSME development.

Moreover, linking HRM strategies explicitly to key competitiveness indicators, such as product quality improvement, customer satisfaction, and market penetration, can sharpen the understanding of HR's strategic value. For instance, training in hygiene standards and packaging not only boosts quality perception but also fosters customer loyalty and enables MSMEs to meet the demands of wider markets. Beyond technical competencies, cultural sensitivity plays a vital role in HRM success, particularly in rural or remote settings like Kerinci. Local traditions, communal values, and religious observances influence how employees engage with work, authority, and change.

In these contexts, successful human resource management must be sensitive to local culture, blending formal organizational systems with traditional social values to gain community trust and maintain employee engagement. Incorporating local cultural insights into HR strategies not only fosters internal unity but also reinforces the distinctive identity of MSMEs, an essential element for building a competitive edge in specialized market segments.

DISCUSSION

1. Condition of MSMEs in Kerinci Regency

MSMEs in Kerinci Regency hold a significant position in driving the local economy; however, they face distinct obstacles, particularly in expanding their market reach and embracing digital transformation. Although some enterprises have begun utilizing platforms like Shopee and Instagram, many continue to encounter challenges due to limited digital skills, inadequate internet access, and insufficient knowledge of global digital marketing practices. These limitations restrict their ability to grow beyond local markets.

Furthermore, Kerinci's rural and mountainous landscape contributes additional cultural and geographical challenges, such as deeply rooted traditional values, restricted mobility, and minimal exposure to modern business environments. These conditions often hinder the effective implementation of contemporary human resource and marketing practices.

According to recent data, MSMEs contribute approximately 55.6% to Indonesia's GDP and provide employment for over 91.8 million people nationwide. In Kerinci, hundreds of MSMEs are engaged in key sectors such as agriculture, culinary production, and ecotourism. Yet, without focused initiatives to close digital gaps and implement culturally responsive HR strategies, the development of these enterprises remains limited.

MSMEs in Kabupaten Kerinci, Province of Jambi, play a crucial part within the region's economy. This zone is well known for its normal magnificence, such as Mount Kerinci, Lake Kerinci, and other visitor attractions, which moreover bolster the development of different sorts of MSMEs. The following are some of the prominent MSME sectors in Kerinci Regency:

a) Local Culinary Specialties

These include popular snack products like potato chips and banana chips, which are signature souvenirs from Kerinci. Other traditional dishes include Gulai Ikan Semah and Dendeng

Beteko. Kerinci Coffee, a variety of Arabica coffee grown in the region, is renowned in both national and international markets for its high quality.

b) Handicrafts and Souvenirs

Items such as bamboo weaving, conventional textures, and wooden makes are profoundly favored by visitors. Gifts themed around Mount Kerinci and its encompassing nature moreover pull in critical intrigued.

c) Agriculture and Plantation

This division incorporates Kayu Aro Tea, considered one of the finest teas within the world, created from Kerinci's ranches. Other key agrarian items incorporate cinnamon, coffee, and new vegetables, which are staples of the neighborhood economy.

d) Agrotourism and Ecotourism

A few MSMEs oversee nature-based tourism exercises such as homestays, visit direct administrations, and other ecotourism offerings. These MSME items back the tourism division in Kerinci, which serves as one of the most sources of territorial salary.

e) Herbal and Health Products

Items made from cinnamon and local home grown plants of Kerinci are frequently showcased as conventional solutions or common beauty care products.

Despite these developments, MSMEs in Kerinci still face several challenges. Some enterprises struggle to expand their markets beyond the local area. Access to capital and investment remains a classic issue, with many MSMEs still finding it difficult to obtain adequate business funding. Another significant challenge lies in the digitalization era, as some MSMEs have yet to fully utilize digital technology for marketing and business development.

2. Efforts to Increase the Competitiveness of MSMEs in Kerinci Regency

To help MSMEs remain competitive on a global scale, the Kerinci Regency Government has taken proactive steps by offering training programs, business mentoring, and improved access to funding. Additionally, local events such as the Kerinci Festival have served as valuable platforms for showcasing and promoting MSME products. These initiatives are well-received and highly anticipated by MSME actors, as strong government involvement helps boost their motivation and growth potential.

In support of this, a range of practical and effective strategies has been developed to foster MSME advancement and enhance their contribution to the regional economy, including:

1) Improving Product Standards

a) Providing education on sanitation, food processing, and packaging techniques.

b) Assisting MSMEs in obtaining certifications such as halal and P-IRT to meet market regulations and consumer expectations.

2) Synergy with the Tourism Sector

a) Establishing food stalls and product booths at popular tourist sites like Lake Kerinci and Mount Kerinci.

b) Hosting culinary exhibitions and tasting events during festivals to promote local food products.

3) Access to Financial Support

a) Partnering with financial institutions to offer low-interest microloans through government credit schemes (KUR).

b) Providing funding or grants to promising culinary businesses through local government programs.

4) Strengthening Human Capital

a) Offering training in small business operations, packaging design, and digital marketing.

b) Facilitating technical assistance from government agencies or private sector partners.

5) Expanding Market Reach

a) Supporting export opportunities for premium local goods such as Kerinci coffee through connections with export partners.

- b) Forming partnerships with hospitality and retail outlets in Jambi and surrounding regions to distribute MSME products.

To further boost competitiveness, the local government has also initiated infrastructure improvements to enhance logistics and product distribution. Collaborations with large corporations and private organizations are being explored to aid in innovation and marketing. Moreover, the introduction of the "Love Local Products" campaign seeks to encourage the public to favor regional goods over imported alternatives. Through these concerted efforts, MSMEs in Kerinci are expected to grow stronger and play a more prominent role in both the regional and national economy.

Government initiatives such as the Kerinci Festival have helped promote local MSME products, with some businesses reporting increased sales and brand recognition during the event. However, feedback from MSME owners also highlights limitations, such as short-term exposure and lack of continued support after the festival ends. This shows that while the program is beneficial, it needs to be part of a more sustainable support system. Compared to MSMEs in urban areas, businesses in Kerinci face different challenges, such as limited access to technology, lower levels of formal education among entrepreneurs, and difficulties in logistics due to the region's mountainous terrain. Unlike other rural areas that may be closer to urban centers, Kerinci's geographic isolation demands tailored strategies that address its specific needs, including better infrastructure and continuous mentoring for digital business adaptation.

3. The Role of HR in Increasing the Competitiveness of MSMEs in Kerinci Regency

4.

Given the current conditions and the strategic initiatives undertaken by the Kerinci Regency Government to enhance the capacity and competitiveness of MSMEs, these efforts will not yield meaningful results unless MSME owners also invest in developing their human capital. Therefore, Human Resource Management (HRM) plays a pivotal role in strengthening the competitiveness of MSMEs in Kerinci. To succeed amid global market pressures, MSMEs must fully leverage HR functions to boost performance and adaptability.

a. Enhancing Employee Skills and Competencies

HR can support MSMEs by organizing training programs, mentoring sessions, and skill-building workshops aimed at workforce development. By upgrading employee competencies, MSMEs can deliver higher-quality goods and services that align with market expectations. Examples include training in digital marketing for broader outreach and technical skills improvement in areas such as production, inventory control, and customer service.

b. Strategic Recruitment and Job Placement

Effective recruitment ensures that MSMEs employ individuals whose skills and mindset align with organizational needs. HR also plays a critical role in assigning employees to roles suited to their strengths and expertise. A structured selection process helps identify qualified candidates and match them with appropriate responsibilities, ultimately boosting efficiency and output.

c. Fostering a Positive Workplace Culture

HR contributes to building a healthy, collaborative work environment within MSMEs. A supportive atmosphere enhances employee morale and performance. This can be achieved through practices such as recognizing top performers and encouraging transparent communication between employers and staff.

d. Boosting Productivity

With sound human resource strategies, MSMEs can streamline operations and minimize inefficiencies. HR can assist in evaluating workflow and optimizing processes. For example, developing efficient shift schedules in production-based MSMEs and adopting basic technological tools can lead to increased productivity.

e. Employee Retention and Engagement

HR is essential in creating a workplace where employees feel appreciated and motivated to stay. Retaining skilled workers reduces the costs associated with frequent hiring and training.

Practical approaches include offering performance-based incentives, flexible work arrangements, and promoting a healthy work-life balance.

f. Strategic of Innovation and Adaptation

Human Resource Management (HRM) can foster innovation by involving employees in decision-making processes or brainstorming new ideas. This helps MSMEs adapt to market changes and evolving consumer needs. One effective approach in promoting innovation and adaptation is to establish forums for discussing product development ideas, along with providing training related to new technologies or market trends.

g. Compliance with Employment Regulations

Human Resource Management assists MSMEs in understanding and complying with labor regulations, such as minimum wage standards, employee insurance, and reasonable working hours. This prevents legal issues and builds a positive business image.

With effective HRM management, MSMEs can improve operational efficiency, enhance employee satisfaction, and deliver high-quality products or services. This, in turn, strengthens their competitiveness both locally and nationally. Regional governments, business actors, and communities must collaborate to raise awareness about the importance of HRM in MSME management. In essence, when managed effectively, HRM can serve as the foundation for sustainable MSME growth.

To enhance the quality and capability of human resource management within MSMEs, the Kerinci Regency Government is gradually rolling out various training initiatives. These programs are designed to foster innovation and strengthen MSME adaptability, including:

1) Training on Local Product Development

This action is centered on endeavors to make strides the quality and advancement of items based on neighborhood potential, such as coffee, chips, and conventional nourishments. The preparing incorporates specialized sessions, such as how to create potato chips utilizing advanced broiling strategies to realize a crispier surface.

2) Digitalization and E-Commerce Training

This training equips MSMEs with the knowledge and skills needed to leverage digital tools for marketing and sales. Participants learn how to set up online stores, promote products on social media, and join e-commerce platforms. Well-known marketplaces like Bukalapak, Shopee, Tokopedia, and Lazada may be directly involved in the sessions.

3) Business Management Training

This component emphasizes financial literacy, transaction recording, and business growth strategies. Participants also gain practical knowledge on managing finances and may collaborate with financial institutions such as BRI, especially through programs like KUR (People's Business Credit).

4) Packaging and Branding Training

A key focus is on helping MSMEs improve product appeal through professional packaging and branding techniques, thereby increasing their market competitiveness. The training also promotes environmentally friendly packaging solutions that balance modern aesthetics with sustainability.

5) Certification and Legal Compliance Training

The center of this preparing is how to assist MSMEs to get it and get P-IRT licenses, halal certification, or other legalities from related teach.

6) MSME Based Tourism Training

Equally important is the development of other sectors that are directly or indirectly linked to MSME growth, such as tourism. In this context, the training can focus on managing homestays, offering traditional culinary packages, or becoming professional tour guides.

4. Regional MSME Competence in Facing Global Competition

MSMEs in territorial regions in Indonesia, including Kabupaten Kerinci, being a vital part in supporting the national economy. Be that as it may, to outlive and compete within the time of globalization, MSMEs confront different challenges that require reinforcing competencies over different viewpoints. A few key competency components required by territorial MSMEs to be competitive incorporate.

To enhance their competitiveness in the global market, MSMEs must focus on several key areas of development. First, improving product quality is essential by ensuring compliance with international standards such as ISO and halal certification, while also embracing creativity rooted in local wisdom to create unique and marketable products. Embracing digitalization and technology is equally important; MSMEs must utilize e-commerce platforms, social media, and websites to expand market reach, and adopt modern production technologies to boost efficiency. Sound financial management is another critical area, MSMEs must be capable of securing funding from various sources such as banks, investors, or government programs, while maintaining transparent and professional financial records.

Furthermore, a deep understanding of international trade regulations and intellectual property rights is necessary for MSMEs involved in export-import activities to protect their innovations and navigate global markets. Human Resource Development (HRD) plays a strategic role in building a competent workforce through continuous training, skill enhancement, and promoting entrepreneurial thinking to keep pace with market dynamics. Building strong collaborations and networks with larger businesses, government bodies, and educational institutions can also support MSME growth, while participation in community and industry associations helps in knowledge sharing.

Finally, addressing business sustainability by adopting eco-friendly practices and integrating Corporate Social Responsibility (CSR) can not only attract environmentally conscious consumers but also strengthen the MSME's reputation through meaningful contributions to local communities.

To build greater strength in facing global competition, MSMEs cannot face these challenges alone. Support from multiple parties is essential. The government plays a crucial role in enhancing MSME capacity—through pro-MSME policy formulation, providing training facilities, easier access to financing and capital, and acting as a mediator in promoting products or services nationally and internationally. Equally important is the support from financial institutions by offering accessible business capital suited to MSME capacities. In terms of knowledge development, academic institutions play a role in providing insights through research and creating practical innovations that MSMEs can apply. Lastly, the most essential support comes from the community itself—by supporting local products as a form of national pride. With authority of competencies in different viewpoints, territorial MSMEs will be able to compete in worldwide markets, and this victory will not as it were elevate the neighborhood economy but too fortify the nation's in general financial competitiveness.

CONCLUSION

In facing the trends of global competition, MSMEs are required to fully utilize the roles and functions of Human Resource Management (HRM), as this directly contributes to enhancing their competitiveness. Through well-planned strategies and steps in strengthening their HRM practices, MSMEs can better adapt to evolving market conditions and ensure long-term sustainability. Effective HRM helps MSMEs become more resilient and responsive, enabling them to compete not only on a local scale but also in broader national and global markets. With proper HRM management, MSMEs can improve operational efficiency, increase employee satisfaction, and deliver high-quality products and services. This significantly boosts their ability to compete at both local and national levels. Therefore, collaboration among local governments, business actors, and communities is essential to raise awareness of HRM's importance in MSME development. When managed effectively, HRM can

serve as the foundation for sustainable MSME growth. In regions such as Kerinci Regency, MSMEs play a strategic role in supporting the national economy. However, to survive and thrive in a globalized era, they must strengthen their competencies across multiple dimensions. By mastering these competencies, local MSMEs can expand their presence in global markets—contributing not only to regional economic growth but also to national economic competitiveness.

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