Analysis of Indonesia's Human Resource Development

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ABSTRACT

Lack of human resource skills and low educational attainment are still problems related to human resources in Indonesia. According to the Society for Human Resource Management (SHRM), which represents 258,000 members in more than 165 countries, one of the main challenges for Indonesian human resources today is competition. They believe that the demand for qualified and trained human resources throughout the world has increased, but productivity and quality of human resources are still very low at present. In Indonesia itself, data shows that the number of workers has a low level of education. The Central Statistics Agency noted that Indonesia's working population will reach 139.85 million people in August 2023. Based on their level of education, the domestic working population is dominated by elementary school graduates and below, the number reached 51.49 million people or contributed 36.82% of the total working population in the country. Then there were 24.85 million junior high school graduate workers, or 17.77%. Meanwhile, the working population with high school graduates is 28.33 million people or accounts for 20.25%. Meanwhile, 17.33 million Indonesian workers are vocational school graduates. The proportion reached 12.40%. Meanwhile, the population of university graduates is recorded at 14.44 million people, or 10.32% of the total working population nationally. Lastly, the number of workers graduating from Diploma I/II/III is the lowest, namely only 3.41 million people or 2.44%. Education level can indicate the quality and productivity of the workforce. According to the scope of work, the majority of the working population in Indonesia works in the informal sector, namely 59.11%. Meanwhile, the other 40.89% work in the formal sector. Because most human resources have limited skills and a low level of education, it will be difficult to increase the productivity and quality of human resources to compete. In the current era of advanced technology and industrialization, human resources are needed who can develop, think more advanced and are able to adapt to the times. The quality of human resources is the key to the country's future success. Superior and competitive human resources mean that Indonesia is treated equally and respected by other countries. The quality of Indonesia's human resources is still weak, therefore training and development needs to be carried out to improve quality. This research aims to analyze human resource development in Indonesia. Data was analyzed qualitatively. The results of the research show that Indonesian human resources have developed through education and training. This can be improved in order to achieve increased quality of human resources.

Keywords: Development, Government Institutions, and private companies and Human Resources

INTRODUCTION

Currently, competition is globalizing in all fields, including competition for Human Resources (HR). According to data, Indonesia's human resources are still low. The level of human resource productivity is still relatively poor when compared with neighboring countries such as Thailand and Malaysia. This is confirmed by the size of Indonesia's Gross Domestic Product (GDP) for the 2019-2023 quarter, Indonesia's position tends to be stable. One of the things that makes it difficult to increase human resource productivity is that they are not supported by the right skills to overcome the challenges of industrialization in the era of digitalization.

Lack of human resource skills and low educational attainment are still problems related to human resources in Indonesia. According to the Society for Human Resource Management (SHRM), which represents 258,000 members in more than 165 countries, one of the main challenges for HR today is competition for

talent. They believe that the demand for qualified and trained human resources throughout the world has increased, but productivity and quality of human resources are still very low currently (2024).

In Indonesia itself, data shows that a large number of workers have a low level of education. The Central Statistics Agency noted that Indonesia's working population will reach 139.85 million people in August 2023. Based on their level of education, the domestic working population is dominated by elementary school graduates and below, the number reached 51.49 million people or contributed 36.82% of the total working population in the country. Then there were 24.85 million junior high school graduate workers, or 17.77%. High school graduates numbered 28.33 million people or contributed 20.25%. Meanwhile, 17.33 million Indonesian workers are vocational school graduates, the proportion reaches 12.40%. Meanwhile, the population of university graduates is recorded at 14.44 million people, or 10.32% of the total working population nationally. Lastly, the number of workers graduating from Diploma is the lowest, namely only 3.41 million people or 2.44%.

Education level can indicate the quality and productivity of the workforce. According to the scope of work, the majority of the working population in Indonesia works in the informal sector, namely 59.11%. Meanwhile, the other 40.89% work in the formal sector.

Because most human resources have limited skills and a low level of education, it will be difficult to increase the productivity and quality of human resources to compete. In the current era of advanced technology and industrialization, human resources are needed who can develop, think more advanced and are able to adapt to the times. The quality of human resources is the key to the country's future success. Superior and competitive human resources mean that Indonesia is treated equally and respected by other countries.

So that Indonesian human resources are ready to face global competition, it is necessary to produce superior human resources through both formal and non-formal channels, namely by meeting the need for quality education in the current development of Science and Technology. A nation that does not master science and technology will be oppressed and left behind in tough and intense global competition. So the strategy that needs to be implemented is to carry out development that is based on a strong educational foundation and is based on the development of science and technology.

The function of HR often faces problems in justifying its position in an organization according to *Drucker, 2010* in his book Practice of Management, when a company easily spends money on training, staffing, reward systems and employee involvement systems, but When faced with financial difficulties, human resources will be the first thing to be reduced. Human resources in Indonesia have enormous potential to be reduced or terminated. As one of the countries with the fourth largest population in the world, human resources in Indonesia should be more empowered and become a challenge for the country itself. Having qualified and skilled human resources that have high competitiveness will increase the level of global competition. The quality of human resources in Indonesia must continue to be improved. This can be done through education and training so that the quality of human resources will continue to improve as time goes by *(Patrick M. Wright, Benjamin B. Dunford, Scott A. Snell (2001)*.

According to *Budi Supriyatno (2020)* in his book Human Resources Management, the benefits and objectives obtained by organizations, both government and private/companies that carry out HR development, are:

1. *Work Productivity*. Human resource development can improve the quality and quantity of production, because the technical skills, human skills and managerial skills of employees are getting better.
2. *Efficiency*. Human resource development can increase the efficiency of energy, time, raw materials, and reduce the wear and tear of machines. Waste is reduced, production costs are relatively small so the company's competitiveness is greater.
3. *Damage*. Human resource development can reduce damage to goods, production and machines because employees become more skilled and skilled in carrying out their work.
4. *Accident.* Human resource development can reduce employee accident rates, so that the amount of medical costs incurred by the company is reduced.
5. *Service.* Human resource development can improve better service from employees to company customers, because providing better service is a very important attraction for the company's partners.
6. *Morals.* Human resource development can improve employee morale because their expertise and skills are appropriate to their work so they are enthusiastic about completing their work well.
7. *Career.* Development can improve an employee's career even more, because their expertise, skills and work achievements are better. Scientific promotions are usually based on a person's skills and work performance.
8. *Conceptual.* Human resource development can make managers more capable and faster in making better decisions, because their technical skills, human skills and managerial skills are better.
9. *Leadership.* Human resource development can improve a manager's leadership, make his human relations more flexible, his motivation more focused so that vertical and horizontal cooperation becomes

more harmonious.

10. **Return Services**. Human resource development can increase employee remuneration (salary, incentive wages, benefits) because their work performance is greater.

In order to achieve the above, human resource development through education and training needs to be carried out continuously by every organization because it will provide benefits for the organization, employees and consumer society. So HR development will become an investment and capital for the company *(Greer, 1995).*

In previous research by *Kat Yamamoto* Eastern Oregon University and Salvador G Villegas Northern State University (December 2020), The evolution of Human Resource Development: Strategic HRD to transform organizations into high performance organizations (Journal for Advancing Business Education) by developing Human Resources can improve high organizational performance.This research has a research objective, namely to describe the development of Indonesian human resources.

Figure 1 shows the conceptual framework of this research.
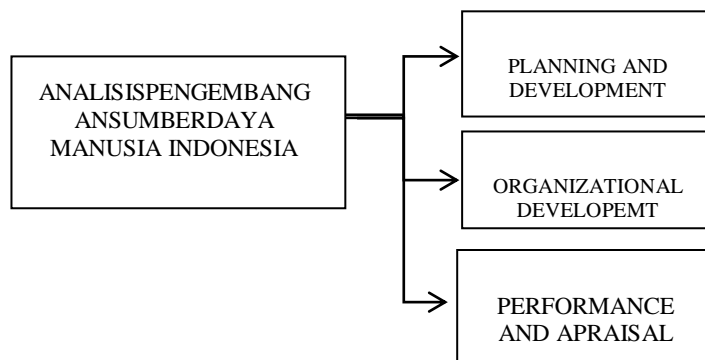
RESEARCH METHODS

The type of research used in this research is qualitative descriptive research. According to *Budi Supriyatno (2023),* the qualitative descriptive method is collecting data from different sources, such as interviews, observations and documents. The data is then analyzed by identifying patterns or themes that emerge and explaining the relationships between these themes.

According to *Creswell (2014)*, there are several steps that must be taken in implementing the qualitative descriptive method, namely:

1. Selecting topics and research questions that are relevant to the phenomenon you want to research.
2. Selection of participants or research subjects that suit the research topic and questions.
3. Collecting data through observation, interviews, documentation, or other techniques.
4. Data processing and analysis by identifying emerging themes or patterns.
5. Interpret the results of data analysis by explaining the relationship between the themes found.
6. Writing research reports by describing the phenomena studied and providing interpretation of the results of data analysis.

Meanwhile, according to *Miles and Huberman (1994),* there are several data analysis techniques that are often used in qualitative descriptive methods, namely:

1. *Categorical analysis*: this technique is used to classify phenomena or events into interrelated categories.
2. *Matrix:* this technique is used to compare data obtained from different sources.
3. Narrative analysis: this technique is used to describe phenomena or events in detail and chronologically.
4. *Theme analysis*: this technique is used to identify themes that emerge from the data that has been collected.

The research that will be carried out examines the analysis of Indonesian human resource development. By using qualitative research, it is hoped that it will be able to describe the facts thoroughly so that it will produce an analysis to develop human resources in Indonesia.

Theoretical sampling yang digunakan pada penelitian ini adalah *purposive sampling*. According*Glaser, B.G. & Strauss, A.L. (2012)Theoretical sampling is a purposeful and iterative sampling technique used in qualitative research, specifically within Grounded Theory methodology.*

Sources of informants to find out how to implement Indonesian development are elements of ASN and Government Officials (Head of Human Resources and the intellectual community who understand development in Private Companies and State-Owned Enterprises. All elements have an important role regarding existing human resources. The following are data and reasons why the author needed to choose these informants:

1. ***Rizki Woro Indrastuti, ST,.MT*** State Civil Apparatus in Indonesia. Here Rizki was chosen as the main informant because his knowledge of government organizations is very good, especially regarding education and employee development.
2. ***Hardono Saputro, SE,.MM*** is the Head of Human Resources at an Indonesian Government Institution. Here we chose Hardono as one of the informants because as the head of the department, he certainly understands human resources in government agencies which are related to education and employee development carried out in government agencies.
3. ***Dr. Ir. Budi Santosa, MSc*** is a lecturer who represents the intellectual community. Here Dr. Budi was chosen as an informant because he understands employee education and development in private company organizations and state-owned companies.

In collecting the data needed in this research, the researcher used several techniques, namely interviews and observations. Some of the information obtained from observations includes: place, perpetrator, activity, object, action, event or event, time, and feelings.

The reason researchers conduct observations is to present a realistic picture of behavior, answer questions, help understand worker behavior, and evaluation, namely to carry out measurements on certain aspects and provide feedback on these measurements. Several forms of observation that can be used in qualitative research, namely participant and unstructured observation:

1. Participant observation is a data collection method used to collect research data through observation and sensing where the researcher is truly involved in the respondent's daily life.
2. Unstructured observations are observations carried out without using a guide or guide. In this observation, the researcher or observer must be able to develop his powers of observation in observing an object.

In analyzing existing data, data validity checking techniques will be used, namely triangulation techniques. Triangulation is a technique for checking the validity of data that uses something other than the data for checking purposes or as a comparison of the data. There are four types of triangulation as an examination technique that utilizes sources, methods, investigators, and theories.

The triangulation used in this research is triangulation by utilizing the use of sources, which means comparing and checking information obtained through time and different tools in qualitative methods. This can be achieved by:

1. Compare data from interviews with respondents and informants, as well as other sources of information, such as company documents.
2. Compare what people outside the company, such as distributors and consumers, say with what people inside the company say personally.
3. Compare the results of the interview with the contents of a document relating to product documents, organizational structure and sales.

ANALYSIS AND DISCUSSION

Development

Development according to ***Budi Supriyatno (2020)***, HR development is an effort to improve HR capabilities through the process of planning education, training and HR management to achieve maximum results in accordance with organizational goals. According to Armstrong (2006) in his book A Handbook of Human Resource Management, 10th Edition states: Human resource development is related to the availability of learning opportunities and development, creating training programs which include planning, organizing and evaluating these programs. Meanwhile, Patricia A. McLagan (1989), in her book Model is HRD Practice: The Research, says: Human resource development is the use of training and development, career development and organizational development, which are integrated with each other, to increase individual effectiveness and organization.

Meanwhile, ***Randy L. DeSimon, John L. Warner and David M. Harris (2011)*** in their book Human Resource Development, Third Edition, say: Human resource development can be defined as a set of systematic and planned activities designed by an organization to facilitate its employees. with the skills needed to meet job demands, both now and in the future.

Development Process

According to ***Budi Supriyatno (2020),*** the employee development process to be more effective and efficient requires a more careful process, this process includes:

1. *Goals.* Every development must first clearly define the targets to be achieved. Is the development goal to improve technical skills and abilities to do work (technical skills) or improve leadership skills (managerial skills) and conceptual skills.
2. *Curriculum.* The curriculum or subjects that will be provided must support the achievement of the development goals. And it must be determined systematically, the number of meeting hours, teaching methods, and the evaluation system must be clear in order to achieve optimal development targets.
3. *Means.* Prepare the place and tools that will be used in carrying out the development.
4. Participants. Determine the requirements and number of participants who can take part in the development.
5. *Coach.* Appoint trainers or instructors who meet the requirements to teach each subject so that development targets can be achieved.
6. *Implementation.* Carrying out the teaching and learning process means that each trainer teaches subject matter to development participants.

Development Steps

According to *Budi Supriyatno (2020)*, employee steps are as follows:

1. Determining needs needs analysis must be able to diagnose at least two things, namely the problems faced now, and various challenges that are expected to arise in the future.
2. Determining the targets to be achieved can be treated, the various targets must be stated as clearly and concretely, both for the trainers and the participants.
3. Determining program content, the nature of a trainer program is determined by at least two factors, namely the results of the analysis of determining needs and targets to be achieved.
4. Identify learning principles. Other learning principles considered for application revolve around five things, namely participation, relevance, transfer and feedback.
5. Program implementation, the implementation of training programs is very situational in nature. This means, with an emphasis on calculating the interests of the organization and the interests of the participants, applying learning principles is reflected in the use of certain techniques in the teaching and learning process;
6. Assessment of the implementation of the training program can be said to be successful if two things happen to the training participants, namely improvement, education and training, meaning that employees are given the opportunity to develop themselves.

Participants' opinions

Participant opinion is a method of evaluation by asking for opinions or ideas from participants which will later produce a response or suggestion for improving development. Participants' opinions can be seen from the responses given by informants. *Rizki*, as a State Civil Apparatus, said that the development program he received was effective, so he could carry out his duties better, especially when it came to the field of work he was carrying out. Apart from that, *Rizki* also observed and asked about the hasi; education and training provided by agencies to their colleagues, the results are the same, namely they can improve performance in carrying out their duties. *Hardono* as head of the HR department also stated that the development program carried out by his staff was effective and could help the work he did on a daily basis. Meanwhile, *Budi Santosa*, as a lecturer and observer of society from the community, in fact, according to his observations, the development carried out by government and private organizations (companies) is quite good, so that they can carry out work according to their field and duties. Therefore, it can be concluded that one of the evaluation methods used is by participation, namely looking at the opinion that Indonesia's human resource development patterns are good enough.

Changes in behavior

Behavior change is a way of evaluating by looking at changes in behavior obtained after development is carried out. Behavioral changes are used after following education and training related to personality such as motivation. This evaluation can be used to see changes in characteristics that occur in employees. His changes are very good in carrying out his duties and in getting along with his co-workers.

Career Planning and Career Development

Career planning is a continuous process where an individual is aware of matters related to individual abilities, interests, abilities, motivation and other characteristics and determines a plan to achieve certain goals. This career planning is implemented through career development. Indonesia implements a career planning and career development system, especially in government agencies. However, in private companies there are those who use career planning and there are those who do not use career planning in planning employees for their roles. There is information from one of the directors of the Jasa Marga State-Owned Enterprise, he said that employees at the company are trained to be able to meet the company's needs. The main orientation is the progress of the company by paying attention to development through career planning

and employee career development that is better effective and efficient.

Organizational Development

Organizational Development is a method that has the aim of changing the attitudes, values and beliefs of employees so that later employees can improve the organization. In an effort to develop the organization, one of the applications of organizational development is survey feedback, where survey feedback is a process of collecting data from an organizational unit using questionnaires, interviews and objective data from other sources. This feedback survey is carried out by government agencies and companies by holding regular discussions and briefings between employees and managers. Briefings will be conducted by leaders/managers once a week to always remind employees about the organization's vision and mission and remind employees about matters related to activity processes such as quality and the process of making products/reports which must comply with procedures. The discussion itself will be carried out both between employees and leaders and between managers and directors. Discussions between leaders and employees will be held when employees face problems in the field and employees will immediately ask for solutions to existing problems. Meanwhile, discussions between managers and directors were held to answer managerial strategy issues such as work programs for government agencies, adding product types, looking for new markets for private companies and others.

Performance Management and Appraisal

The performance management and appraisal function in Indonesia has implemented performance management through performance appraisal and feedback. Performance appraisal is carried out using a performance appraisal form which is assessed by leaders or superiors for ASN and Company managers. *Rizki* as an ASN walks around looking at employees working. Rizki did this to see the implementation of performance appraisals for employees, especially in government agencies. *Hardono* assesses that the use of performance appraisals is very effective, making it easier to assess employees or subordinates who work effectively and efficiently. Rizki and Hardono said that after development through education and training, employees who are often called government officials can do their jobs well.

Meanwhile, *Budi Santosa* sees that performance appraisal in companies, whether state-owned or private, functions to carry out assessments in areas between employees which can be useful for adjusting the amount of salary given and for making choices in terms of dismissal or layoffs. The use of performance appraisal is included in the performance appraisal function, namely compensation programs and internal employee relations. The compensation program will be used to decide for the company to adjust employee salaries. If the employee's performance is good, they will be given regular salary increases so that employees can maintain their performance. Meanwhile, internal employee relations is used to decide whether an employee is worth retaining. If the employee's performance is poor and they often make mistakes, the company can provide more training, but if the employee still cannot improve, the company can decide to lay them off.

Performance management and appraisal methods Companies in Indonesia use performance appraisal forms, both in government agencies and in private companies and state-owned companies. Assessment using the form will be carried out every day. This assessment is carried out by the manager every day and later every six months the company will carry out an evaluation based on the results of the performance assessment form. This form is used to assess employee performance.

In private companies, the form will be used to carry out assessments by looking at two aspects, namely products and skills. Products here are seen from production targets, accuracy of composition, suitability of materials, consistency of size and neatness of packaging. Meanwhile, skills are seen from how employees perform in techniques for operating tools, speed in work, accuracy in work, maintenance and use of work suggestions and communication between employees.

Performance appraisal in Indonesian companies will later be assessed using a performance appraisal form. The assessment carried out will look at two aspects, namely the product looking at production targets, accuracy of composition, suitability of materials, consistency of size and neatness of packaging. This aspect will be assessed by the company so that employees know that the quality of the products they make is in accordance with company procedures. Each error will later be evaluated and the location of the error will be explained, which will be done directly or during routine briefings in the production department. Employees are also expected to be able to remind other employees if there is an error or directly ask the production manager to find a solution. This assessment method is included in the results approach method.

In carrying out performance appraisals in Indonesian companies, there are two approaches to the assessment method, namely the attribute approach and the result approach. Where the results approach is an approach that focuses on managing goals, measurable results from individual work and group work. Meanwhile, the attribute approach focuses on the extent to which individuals have certain attributes that are desired for the company's success. The assessments included in this attribute approach include matters relating to the

assessment of employee skills in operating machines, speed in work, accuracy in work, maintenance and use of work suggestions.In assessing the skills aspect, a score system of one to five will be used:

1. Assessment in operating production tools (machines) is seen from whether the employee has operated the machine correctly according to the type of product to be produced. If it is correct, of course the assessment given will get a high score.
2. Assessment for other aspects of skills such as speed at work will be seen from whether the production target is met or not. If the given target can be met, it will get a high score and if it cannot meet the target, it will be given a low score.
3. Accuracy in work is also more or less the same, if there are no errors in work and the quality of the goods produced is good and in accordance with Food and Drug Administration standards, you will get a good score and vice versa.
4. Maintenance and use of work facilities will be assessed by how employees maintain machines, use machines, how employees repair machines will also be assessed by the production manager.
5. Communication between employees will be assessed based on how cooperative the employees are by looking at efficiency and errors that may occur due to communication errors, employees reminding other employees if they make a mistake will be the evaluation criteria by the production manager.

If the respective criteria have been set by the company, if they comply with the existing criteria, the score obtained by the employee will of course be a higher score, which means that their performance is good.

From the assessment above, it can be seen that using the two methods Performance Management and Appraisal is very successful in developing human resources both in government agencies and in private companies including BUMN. Other criteria are carried out to produce good performance for government agencies and for companies to improve quality human resources, to improve products that comply with Food and Drug Administration so that they meet existing standards so that customers get goods of the same quality for every item purchased.

CONCLUSION

Conclusion

From this research it can be concluded that government organizations and private organizations/companies in Indonesia have carried out human resource development through education and training for employees to improve the quality of human resources who have good performance. Employee development is really needed by organizations, both government agencies and private companies, to increase Indonesian human resources who are more competent, so that they are able to carry out their duties well.

Suggestion

Suggestions that can be given:

1. All organizations, both government and private agencies, need to develop employees both through education and training and other education such as seminars and meetings with experts to develop employees who are more competent in their fields.
2. The comprehensive HR development process will be more profitable for both government and private organizations and also beneficial for employees, so organizations need to pay attention to employees for more effective and efficient development.
3. Future researchers can research more complex training and development in both government and private organizations so that the implementation of training and development can be more comprehensive.

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