



Identification of Human Resource Management Best Practices in the MSME Sector

Abd. Karman¹, Purnomo², Akbar Jaya³, Teguh Setiawan Wibowo⁴

^{1,2,3} Institut Agama Islam Negeri Fattahul Muluk Papua, Indonesia

⁴ STIE Mahardhika, Indonesia

ARTICLE INFO

Keywords:

Identification,
HRM,
Best Practices,
MSME Sectors

ABSTRACT

This study aims to obtain evidence of scientific support from existing publications so that we can answer the problem of this study, namely identifying superior and destructive human resource management in the MSME sector. Then we make the data online from many sources that we believe can answer the problem. We have collected 60 relevant publications from the data and discussion to answer this study, limiting the barrier from 2010 to 2022. Our study was carried out under a phenomenological approach where we wanted to get answers from several existing data so that our findings could get answers. Based on the study and the results of the discussion, we can summarize that some best practices have contributed to the success of MSMEs, including having superior human resources and having the best, which includes understanding how to sell MSME products, having the soul to serve consumers with care and understanding decision-making solutions then placing the customer's face, and having financial and generational governance capabilities following the needs of MSMEs in the era of free competition.

E-mail:

abdul.karman@iainfmpapua.ac.id

Copyright © 2022 Enrichment : Journal of Management.

All rights reserved.

1. Introduction

Successfully running a small business is not just having a good goal through the products and services offered. However, running a business, whether small or large, that is profitable and sustainable certainly has a variety of strategies and approaches that can be called good best practices in producing, marketing, and even sales that rely on practical focus and never give up because not all of these businesses will promise brightness, let alone big profits if left unchecked (Kirkwood & Walton, 2014). By a high level of commitment and consistency. Running a small business is not considered an ordinary business in the sense that it does not require extra handling, but running a business, both small and large, requires seriousness where business person trains their to be an entrepreneur spirit and ensure business governance that has a priority structure and has adequate capital So that the small business deserves to be said to be successful. Any business certainly has an approach or strategy that is the key to carrying out any business breakthrough. The key that we mean here is in the form of a series of best ways to run a business and the appropriate ways to run a business so that the business can run according to the target, which sometimes requires particular ways different from a set of best practices in small business which is a very implemented using a foundation of concepts and ideas that are adapted to the best practices required in the business (Chazdon et al., 2020).

A good business has concepts and guidelines called a business plan that shows best practices with specific matters that are continuously maintained and organized in each area of the specific assembly, both in production, sales, serving consumers, marketing, managing finances, and many other best practices that require the driving force of the business. have a strategy concept mechanism in all

aspects of management governance (McKeever, 2018). Small businesses in Indonesia are indeed very calculated due to the contribution made by MSME actors to the improvement and stability of the economy, tiny people who can continue to be relied on. It can be seen that most small businesses in Indonesia only do their business with simple capital and then lack a concept, so many lose in competition with large businesses that already have concepts, financial support and other perspectives (Klettner et al., 2014).

Data shows that approximately 80% of small businesses in the country start their business not because of a business desire that has concepts and strategies to compete. However, most small businesses are carried out because of the pressure of poverty or because they do not have a job, and then they enter the world of small business without having a unique idea or specific skills needed to run a business (Brynjolfsson & McAfee, 2011). Of course, if small business drivers face such conditions, it is believed that they are challenging to develop because they will lose in the competition as it is known that one strategy to survive, tiny businesses, of course, must drive these businesses to have competitiveness with a strategy called best practice. There is expertise in managing products and services so that even though the business is small, it is run consistently professionally to give birth to breakthroughs and innovations in business, especially in an era where competition is increasingly fierce. If that is the case, it is necessary to ask and think about ways to develop strategies so that the business has advantages and skills that can lift the small business that is run (Kane et al., 2015).

If we look at what steps must be taken by MSME actors, of course, the first is the entrepreneurial spirit, meaning that when running a business, the entrepreneur must have the spirit of encouragement to create something from nothing to exist, enabling something that is considered impossible but can be implemented in words (Julyanthry et al., 2021). Others have a clear concept of having a high entrepreneurial spirit; this is the principal capital if a business person wants to move into the small business field. Furthermore, a person who is engaged in small business must have a leadership spirit; at least he can lead himself than can describe in moving the business, and when the business has employees, the business driver must have a soul that can influence his employees to work with the mission of achieving business goals on the principle of mutual benefit. If a business has basic skills such as an entrepreneurial spirit and leadership in carrying out this business, this will have a massive influence on winning the business, making a small business sustainable and profitable.

Furthermore, small business actors must have a clear concept of governance because having knowledge and experience in managing this is very important. Any MSME business or large business has governance knowledge to optimize existing resources, whether capital or resources. Other resources so the managed business can reduce the impact or risk for failure. Furthermore, as an MSME driver, of course, they have a strategy or many practices in terms of creating brands and doing promotions because the ability to do branded and marketing is part of the marketing requirements in order to be able to compete optimally, and this is a significant factor so that businesses can develop to compete even though they are still in a competitive environment Small scale. So the demands are the challenges that small business management must carry out (Erlangga et al., 2022).

Another issue that must be considered is the ability to innovate because businesses that are run in the era of competition require continuous innovation practices where consumers will look for different businesses in terms of services in terms of promotion in terms the brain, so MSME actors must also have an innovative spirit that ready to innovate their business by using existing resources so that they can offer the notation of offering their products and services so that gradually consumers will find something new, something different, something that keeps changing, not monotonous. In other words, a number mover who has high creativity and can offer something creative does not offer the ordinary, or the monotonous does not consider the era of competition, especially now that the business is exclusively run where the consumer is possible to know how and what small businesses produce and sell to their customers (Sawitri & Suswati, 2019).

Next, we explain understanding best practices in small business governance. From a business perspective, it is understood that the ability to develop a business in a business way requires best practices, such as creativity, innovation, efficiency, etc., when it comes to small businesses, which of course, have various problems that require the ability to tackle problems in the best way to provide

solutions for handling problems. Small business towards a sustainable and profitable business is essential (Moroni et al., 2015). So, in other words, best practice is a proven way to run a small business like the best practices above, including business efficiency and relevance, which allows adoption in small business governance that is committed to success. The best practice in running a small business, of course, starts with a variety of ways, both in terms of implementation that has high commitment and seriousness so that innovation efforts become superior business people whereby realizing innovation steps so that the best business practices can be achieved there is efficiency and effectiveness towards business productivity. Facts on the ground show that best practice is undoubtedly through the strong will of business drivers in carrying out changes which, of course, have Belu exemplary that causes changes from being normative to being more proactive in controlling the business (Theodorakopoulos et al., 2014).

The inability to run a business by having this best practice model is one of the businesses that is run monotonously, and this does not promise success let alone have a significant impact on future success, which requires continuous thinking and practical solutions (Tambe et al., 2019). Good governance and best practice in the business world, of course, begins with a high willingness from business drivers to want to reform their business practices from traditional ways to ways that are believed to be able to become businesses that keep up with changing times, such as adopting their business practices from conventional ways to modern ones such as adopting digital into business practices and marketing. This is another example of a best practice that can be started, namely wanting to reform business governance from the traditional way to a more independent way that is more integrated with technology. So with the best practice methods marked by a willingness to innovate and adopt technology, this is the first step of best practice that small business movers must own (Blackburn, 2017).

Many studies in the field say that the best practices carried out by small entrepreneurs in Indonesia are often focused on improving customer service in order to develop and create business concepts and operations that used to be with a traditional approach, now an approach to digital-based governance where there is a fierce desire from entrepreneurs. This small business will then change with the best practice principles they adopt, such as business transparency, business responsiveness, data orientation to effectiveness, and strategic vision (Blackburn, 2017).

Therefore, based on the formulation of the problem and the underlying factors why the importance of best practices being carried out by MSME movers looking at MSMEs today, where almost all businesses have adopted a digital approach compared to past conventional-based MSME practice systems, this study will try to open up as much of the existing literature as possible, the aim of which is to develop concepts and applications of relevant best practices that are adopted into small business governance so that small businesses can benefit and be sustainable. With the final goal, this paper wants to get support from various perspectives and views and expert experience supported by evidence from studies in the field, how critical. What relevant and compatible best practices are easy to explain and give birth to a new understanding, undoubtedly an excellent contribution to the authors to field practitioners, policymakers, and other academic studies (Glaser & Strauss, 2017).

2. Research Method

Small business governance certainly has the right strategy as what has been crazy shows a large business's success in governance and enthusiasm in running a business. Therefore, this paper wants to gain several views and experiences, both theory and field parties, all of which have been published in several sources of information and business data (Cresswell & Sheikh, 2013). So to complete the discussion of this study, the author has visited several publication sources in the form of books and journal articles, all of which are relevant for review to answer the problem of best practices that small entrepreneurs in running their businesses must own. Before examining the word that has been conquered, we first try to understand the essence of the problem and the hypothesis of this kingdom so that later we can easily specify answers that answer the problem with the principles of high validity and relevance. As for the data search method, we do it electronically on several data such as publications, and then we collect select from hundreds of publications then select 50 publications which we see are relevant to answer the problems of this study (Tondeur et al., 2012).

After getting 50 literature topics we will discuss, we will review them with data coding, evaluation, and non-organizing data approaches. Finally, we have to interpret to get answers from the existing data, all of which we do under the point phenomenology approach; we believe this method to be relevant (Lachal et al., 2017). To answer this problem, because this kingdom is a qualitative design, we get an understanding from several existing data where we see the phenomenal description, so we believe the phenomenological approach is very relevant to be applied. After a series of studies, we finally got a valid answer, and then we tried to compile it based on the paper written in the literature review where we answered this kingdom in the preparation of the report after a series of data that we did. As for the validity of the data we did, for example, we tried to get publications that had a time barrier between 2015 and 2022, considering the development of the implementation and operations of MSMEs today received very significant developments, especially when MSMEs were adopted into MSMEs based on digital technology applications. The material we do in this method is what we believe from the problem formulation process, data search, and data analysis to the final report (Patten & Newhart, 2017).

3. Result and Discussion

Furthermore, in this results section, the author will present the results of a series of studies of scientific evidence related to several publications that discuss the issues of best practices implementing small businesses from various perspectives so that we can ensure that the series of problems that we raise in this study can be solved by describing the following: supported by scientific evidence of how the challenges and urgency of best practice in implementing MSME business in an increasingly competitive era. Next, in this section, we also present the results; we also conduct discussions and analyses to see aspects of the findings that have the potential to be discussed so that later they will be discussed. Become a new understanding as a contribution to enriching the repertoire of economic studies, especially in running small businesses in the country (Kay, 2012).

3.1 Best practices in SMEs and human resources management

Starting the report on the findings of this study came from Nilawati et al., (2021) who examined how best practice HR governance relates to sustainable MSME operations. According to them, this is like what big companies have done, where through their revolutionary approach to education and training, they develop employee resources so that employee competitiveness occurs within MSMEs (Ahmeti & Prenaj, 2015). By having well-established resources, MSMEs will quickly achieve profits because the practice of human resources in MSMEs is no longer carried out as a family business. SMEs towards optimal success. So, their findings imply that with the training and development of employees, especially in their competitive elementary schools, MSMEs will be able to survive in all business obstacles towards sustainable MSMEs. Therefore, it can be underlined that MSMEs that can break down the human resources of their employees towards quality will win successful MSMEs (Shafeek, 2016).

Similarly, the findings of Singh et al., (2020) proves the existence of HR in MSMEs in India. According to them, the readiness of HR management will determine the success of every MSME and other organizations. Meanwhile, small business HR training can be done with many approaches. However, the presence of skilled human resources is very significant for the progress of MSMEs. However, there are still obstacles in its implementation related to strengthening human resources for the glory of MSMEs. This descriptive research model was based on the case method approach to several MSMEs in New Delhi to study the perception of HR management in the MSME environment. It is hoped that the output of this study can help frame various patterns of HR best practices for SMEs in the future, both in India and SMEs in other countries (Mulolli et al., 2015).

Cunningham & Rowley, (2010) recognize that little and medium undertakings in China: a survey of the writing, human assets, the board, and ideas for additional examination. They added that as the significance of little and medium ventures (SMEs) has expanded, it has been joined by an expansion in how much examination consideration is paid to them. This has occurred in Asia, as well as China. Notwithstanding, this work focuses on business, private venture improvement, and government support. In addition, the truth is that the issue's focal point is money, advertising, and proprietorship as opposed to individuals, the executives, that is the focal subject of the conversation. Notwithstanding,

there are not many examinations on human assets the board (HRM) in SMEs in China. Our concentrate here gives a broad outline of past work, and the outcomes feature a portion of the significant issues for the investigation of HRM in SMEs and require the improvement of additional complex hypothetical models and more longitudinal examination (Ogunyomi & Bruning, 2016).

Georgiadis & Pitelis, (2012) said that HR and SME execution in organizations: Empirical study confirmation from England. They research the association between HR (HR) and by and large firm execution, as well as the gig of the business method as a primary mediating factor for pretty much nothing and medium-sized adventures (SMEs) in the UK Tourism Hospitality and Leisure region. Our results suggest that other achieved business visionaries manage high-performing SMEs in the THL region. We similarly find that more helpful SMEs merge an astoundingly skilled workforce with mechanical and mastery-based firm partition frameworks, or possibly thing detachment procedures, which rely upon the idea of organization and individual thought in regards to clients, nearby liberal compensation and respect for the delegate development (Caha & Urban, 2020).

Sheehan, (2014) uncovered that human resources are the board and execution: Evidence from little and medium-sized firms. This article breaks down human resources the chiefs (HRM) practice in close to nothing and medium-sized adventures (SMEs). In particular, by taking a gander at the issue of causal solicitation, it watches out for an immediate opening in the enduring HRM execution inside such firms. Huge simultaneous and longitudinal associations between HRM rehearses and express execution markers are found. Controlling for past execution and, along these lines, testing for the potential for circle-back causality does not shed the primary association between human resource practices and execution. In total, using human resource practices further develops upheld advantage earnestly. By unequivocally taking a gander at the issue of causality in the HR - execution relationship, this article carries out both the human resource and SME-composed works (Wuen et al., 2020).

3.2 Best Sale Practice Model in SME operational

In addition, best practices in the tasks of MSMEs can also be seen in how MSME goods and administration are sold. The two accompanying studies have demonstrated the importance of administering MSMEs as best practice models that are ineffective and can be sustained during business competition.

Stentoft et al., (2020) advanced comprehension of the connection between the goals behind utilizing Sales and Operations Planning, the genuine importance of S&OP, and corporate. The review depends on 156 concrete answers for survey audits spread among Danish producers. Likewise, extra execution data about benefits from theory and net benefit records are associated with assessment. The outcomes show that the more respondents see the shortfall of data about S&OPs, the more they see the significance of S&OP. The outcomes likewise show that the more respondents saw a need that slipped through the cracks, the less they saw the significance of S&OP. Besides, the outcomes show that the shortfall of execution ability does not influence the meaning of the S&OP. The outcomes also show that the genuine meaning of S&OP is interrelated with exchange execution to the extent that client execution and conveyance are not with functional or money-related execution (Dewi & Er, 2019).

Further discoveries by Malshe et al., (2017) demonstrate that the Sales-advertising connection point (SMI) is associated with deals and showcasing so MSMEs can effectively create and execute proper promoting methodologies. While specialists note different components that can help the capacity of advertisers to accomplish necessary and functional arrangements with the business power to drive fruitful system execution the bits of knowledge gathered from existing examination are of restricted utility for some associations (Utomo et al., 2022). Specifically, given the predominance of SMI research zeroing in on regular authoritative settings, this region is principally obscure concerning how advertisers in small and medium ventures (SMEs) can accomplish a necessary and functional arrangement with their deals peers. The creators utilized a disclosure situated strategy and top to bottom meeting information gathered from 39 deals and promoting faculty regarding SMEs to make sense of this peculiarity extensively. The discoveries show that advertisers in SMEs utilize a two-step process: (a) legitimizing their proximal power and (b) at the same time flagging impact and fellowship to accomplish necessary and functional arrangements with the deals force. The outcomes extend comprehension of SMIs, while likewise giving exploration suggestions that improve the ease of use of

these connection points across a more extensive range of hierarchical settings (Puspawati & Suhaimi, 2019).

3.3 Knowing solutions and the decision-makers

The next best practice in MSME HR governance is to understand solutions and policy making. The following study by Francioni et al., (2015) explores the characteristics of decision makers that impact the strategy of running MSMEs. He proved his study through a sample of 165 decision-making in SMEs, focusing on examining the relationship between decision-making and indicators of success in small businesses (Adla et al., 2019). With the findings, of course, that decision making, if done well, will have an impact on the risks posed in the company, then based on experience in MKM, it will provide experience in decision making in the future. At the same time, the behavior of the way of making decisions is also related to the risks posed, including the success achieved. In other words, the interrelationship between understanding solutions and policy and decision-making impacts the success of MSMEs being run. This finding convinces us that the growth of MSMEs cannot be separated from their managers' understanding of solutions and anticipating with the right decisions every vital decision related to holding MSMEs towards success (Iqbal et al., 2018).

Cuellar-Molina et al., (2019) concentrate on proof from 157 HR chiefs in SMEs who freely go with HR choices and are liable for HR rehearses in their organizations. The creator utilizes different straight relapse examinations to test the speculation. The outcomes show that EI and different EI abilities influence the execution of different HR rehearses. Consequently, the vitally hypothetical commitment of this work comes from integrating mental factors (EI) as precursors of HRM. SME directors will find direction on which close-to-home skills are generally significant for them to prevail in their jobs and further develop HRM.

3.4 SMEs, customer service, and care

In addition, the best practice for MSMEs is to serve and look after customers. To demonstrate this reality, we surveyed a review distributed by Madera, (2013) who said that one of the most surprising exercises for MSMEs is when MSME executive information conflicts with client support and concern. To substantiate their claim, they have explored leading organizations whose culmination is that after examining the various boards used by various large organizations where they found that all organizations, by example, have completed the prescribed procedures, for example, in lodging organizations where the support component the client is retained then through investigation of various other procedures defined in it decides that the organization which can offer the best assistance and works for the buyer will win the client And this means it will be profitable where the client for them is the main thing they do is follow the executive administration to offer the best assistance and apply the administrations of different organizations to see the reality of their case (Galvão et al., 2018).

In addition, Hassan et al., (2014) investigations saw severe competition; some Bumiputeras SME makers had the option of surviving by serving and maintaining wood-based goods in Malaysia. They are centered around the what and how of holding business visionaries who practice best through keeping what hotel customers want. The asset hypothesis is used as the exploratory premise. This study uses a subjective exploratory approach in which various influential business visionaries of wood-based goods are inherited and become the conservative value of visitors throughout the Kelantan region (Galvão et al., 2018). Stentoft et al., (2020) advanced comprehension of the connection between the goals behind utilizing Sales and Operations Planning, the genuine importance of S&OP, and corporate. The review depends on 156 concrete answers for survey audits spread among Danish producers. Likewise, extra execution data about benefits from theory and net benefit records are associated with assessment. The outcomes show that the more respondents see the shortfall of data about S&OPs, the more they see the significance of S&OPs. The outcomes likewise show that the more respondents saw a need that slipped through the cracks, the less they saw the significance of S&OP. Besides, the outcomes show that the shortfall of execution ability does not influence the meaning of the S&OP. The outcomes also show that the genuine meaning of S&OP is interrelated with exchange execution to the extent that client execution and conveyance are not with functional or money-related execution (Dewi & Er, 2019).

The next best practice we get this finding from the study of Reijonen & Laukkanen, (2010) where according to them, the practice of customer-oriented marketing in MSMEs is one of the best practices in which the task of driving MSMEs must be that every program action taken must be related to customers because they believe that customers are like kings who must be maintained with the best service, both in terms of promotion and sales, all of which is to give the best to customers (Singh et al., 2020). So the essential words of this finding, we also understand that every MSME actor must practice the best, namely doing the best customer-oriented service so that customers will feel satisfied and continue to make subsequent transactions. Such thing.

Next, we examine the publication of Dutta et al., (2021) which elevates the procurement of digitalization to the quality control process in small businesses where involving digitalization in this business is an opportunity to reach customers in the sense that without customers, any business they do will not be optimal. They believe quality digitization services can provide customer orientation that prioritizes transparency through digital applications. In addition, this lesson also emphasizes that through digitalization, whatever needs and desires are desired by customers, MSMEs can easily do it. Their studies are determined to prioritize best practices. Namely, in the field of deciliation, where most MSMEs forget MSMEs and digitization, they ensure that the adoption of technology to MSMEs will provide something different from the orientation of how to provide the best quality service where customers are now in the era of globalization they want to do something very instant, fast, practical and productive (Kitchot et al., 2020).

The following publication we visited is (Mohamad et al., 2014) where according to their version, the best practice is related to the governance of customer relations. A good performance of SMEs is to build good customer relationships, for example, with good restaurant governance. Well, they will have the opportunity to be quickly evaluated by customers where every service provided will undoubtedly be correlated with profits and customer loyalty to come back in the future point so through the community building good relationships with customers their studies have succeeded in convincing with increasingly loyal customers and visit their business which is an indicator if the business is running smoothly, which is supported by the constant arrival of customers (Marullo et al., 2017).

3.5 Adopt business to social media for customer service

Furthermore, adopting social media applications into MSME consumer services has been verified by He et al., (2017). They study it as proof that in an era where social media plays a role. Although they bring only a few small businesses whose existence today is not adopted into social media, understanding how small businesses in America have adopted social media applications with business goals is a very strategic thing to get closer to consumers so that consumers' presence can be utilized by many. Entrepreneurs, including MSMEs, so they prove the existence of MSMEs and help small businesses through interviews with 28 small businesses in a very measurable case study where the average business in the United States has been able to adopt social media for business purposes, so the conclusion is that the progress of MSMEs is closely related if MHM managers view social media adoption as a best practice solution (Chatterjee et al., 2021).

Further findings were made by Gunarathne et al., (2018) which concluded that when social media platforms provide the best service, that customer behavior and treatment will be different; their study was conducted on several companies that provide services through social media and support consumers directly because they believe that the method of combining modern and traditional will undoubtedly remain oriented to improving customer service, so they believe that socially psychologically they think that there are many drivers for getting treatment to customers, namely the first effect of the influence of social media applications which refers to the impact of position relative to customers and the impact of what observers give directions that the presence Social media users have a significant impact on the progress of companies including small businesses. So it is clear here that the services provided include the services they adopt through the use of social media, where today the majority of the younger generation and their executives are on social media platforms, so the decision from administrative management to prioritize adopting social media-based services is a very strategic solution, and this is categorized as one of the best practices in MSME businesses in America (Odoom et al., 2017).

3.6 Financial and Administration for SMEs

The best practice is the factor of financial and administrative governance in MSMEs. The findings of Jindrichovska, (2013) mention that financial governance in MSMEs is to contract on issues that are important in financial governance where this core element is essential considering that the regularity of financial governance is an indicator of one that will determine the success of running a business. SMEs. In this study, they see that the problem of funding and capital structure and setting these costs is very urgent, considering that a business will never see its glory if they do not plan or make the right policies related to effective financial governance (Nasrallah & El Khoury, 2022). Their study concludes that managing finances, which is the responsibility of MSME management, are the primary determinant that underlies if MSMEs want to move, so this is one of the best practices that must be carried out, namely managing finances and administration in MSME businesses.

The following finding was carried out by Mazzarol, (2014) who examined a series of choices by small businesses, including business governance and small business funding management, mainly how to work capital and cash finance management well. He proved his findings by reviewing 20 papers that in detail have examined how financial education or financial, human resources is accompanied by policies and applications that have been made to determine the true nature of MSME financing. Furthermore, their paper grouped their findings into four; how to tighten the examination of the code of conduct and the relationship between working capital management and profits in SMEs. Next, how owners or managers carry out working capital governance, and finally, they looked at the relationship between financial management and MSME business growth (Del Baldo, 2012).

The following study was carried out by Aristovnik & Obadić, (2015) which looked at the impact and efficiency of financial organization excellence in fostering MSMEs in America and Europe. So, their study focuses on the impact and efficiency of business development governance, starting with applying a data analysis approach that transforms governance into another essential indicator with the application of a skilled workforce and benchmarks how to change the environment of MSME excellence by improving proper financial governance. So, some countries in Europe, Denmark, and the UK are trying to significantly grow MSMEs by participating in managing financial management, which is a strict performance so that the governance of advancing MSMEs can be started by dividing, regulating, and straightening out financial conditions in MSMEs, which since the father of Covid-19 has been one of the sectors. What must be addressed is the financial governance of SMEs, among others, the best practices that need attention apart from the components mentioned above, namely financial governance in SMEs (Torugsa et al., 2012; Nugraha et al., 2021).

4. Conclusion

We now come to the conclusion section, where we will summarize the results of our study, which aims to identify the best practices of human resource governance in the MSME sector by searching for many scientific pieces of evidence in the form of papers that have been published in various literature sources. We believe that the findings that we present are the result of where we examine from various sources of application context where we consider that this best practice of human resource governance for small businesses offers quite a lot of strategies or perspectives but due to limitations and other things we are only able to present several best practices that we believe are relevant in addressing the research problem.

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. Likewise, another governance is how human resources in selling SMEs product are also very decisive where good resources owned by MSMEs will be able to make significant sales. Likewise, good human resources MSMEs will be able to provide services and customers so that customers will feel comfortable and happy to transact in the future.

The next best practice is the HR factor, which understands problem solutions and can make the right decisions when MSMEs need a solution. Likewise, with the factor of how well human resources can prioritize customers up front in whatever choice they make, they understand more about what mobility consumers want as well as how MHM human resources can adopt social media applications in

serving consumers because they believe that today's consumers are on social media, approaching social media to bring MSMEs there is the fastest way to get customers. Next is financial governance, including its administration, which is primarily determined by the efficacy of human resources owned by MSMEs. Where with good financial governance, MSMEs will do businesses that survive and be profitable in the future. What are the advantages and best practices we have reviewed with the hope that this result will be a meaningful input regardless of our shortcomings and limitations; we hope for input and feedback.

References

- Adla, L., Gallego-Roquelaure, V., & Calamel, L. (2019). Human resource management and innovation in SMEs. *Personnel Review*, 49(8), 1519–1535. <https://doi.org/10.1108/PR-09-2018-0328>
- Ahmeti, F., & Prenaj, B. (2015). *A Critical Review of Modigliani and Miller's Theorem of Capital Structure* (SSRN Scholarly Paper No. 2623543). <https://papers.ssrn.com/abstract=2623543>
- Aristovnik, A., & Obadić, A. (2015). The impact and efficiency of public administration excellence on fostering SMEs in EU countries. *Amfiteatru Economic Journal*, 17(39), 761–774.
- Blackburn, G. (2017). A university's strategic adoption process of an PBL-aligned eLearning environment: An exploratory case study. *Educational Technology Research and Development*, 65(1), 147–176. <https://doi.org/10.1007/s11423-016-9472-3>
- Brynjolfsson, E., & McAfee, A. (2011). *Race Against the Machine: How the Digital Revolution is Accelerating Innovation, Driving Productivity, and Irreversibly Transforming Employment and the Economy*. Brynjolfsson and McAfee.
- Caha, Z., & Urban, J. (2020). Human Resource Management in SMEs in the Czech Republic – Specifics and Key Requirements. *SHS Web of Conferences*, 73, 02001. <https://doi.org/10.1051/shsconf/20207302001>
- Chatterjee, S., Chaudhuri, R., Vrontis, D., & Basile, G. (2021). Digital transformation and entrepreneurship process in SMEs of India: A moderating role of adoption of AI-CRM capability and strategic planning. *Journal of Strategy and Management, ahead-of-print*(ahead-of-print). <https://doi.org/10.1108/JSMA-02-2021-0049>
- Chazdon, R. L., Gutierrez, V., Brancalion, P. H. S., Laestadius, L., & Guariguata, M. R. (2020). Co-Creating Conceptual and Working Frameworks for Implementing Forest and Landscape Restoration Based on Core Principles. *Forests*, 11(6), 706. <https://doi.org/10.3390/f11060706>
- Cresswell, K., & Sheikh, A. (2013). Organizational issues in the implementation and adoption of health information technology innovations: An interpretative review. *International Journal of Medical Informatics*, 82(5), e73–e86. <https://doi.org/10.1016/j.ijmedinf.2012.10.007>
- Cuéllar-Molina, D., García-Cabrera, A. M., & Déniz-Déniz, M. de la C. (2019). Emotional intelligence of the HR decision-maker and high-performance HR practices in SMEs. *European Journal of Management and Business Economics*, 28(1), 52–89. <https://doi.org/10.1108/EJMBE-10-2017-0033>
- Cunningham, L. X., & Rowley, C. (2010). Small and medium-sized enterprises in China: A literature review, human resource management and suggestions for further research. *Asia Pacific Business Review*, 16(3), 319–337. <https://doi.org/10.1080/13602380903115948>
- Del Baldo, M. (2012). Corporate social responsibility and corporate governance in Italian SMEs: The experience of some “spirited businesses.” *Journal of Management & Governance*, 16(1), 1–36. <https://doi.org/10.1007/s10997-009-9127-4>
- Dewi, F., & Er, M. (2019). Business Process Maturity Level of MSMEs in East Java, Indonesia. *Procedia Computer Science*, 161, 1098–1105. <https://doi.org/10.1016/j.procs.2019.11.221>
- Dutta, G., Kumar, R., Sindhwani, R., & Singh, R. Kr. (2021). Digitalization priorities of quality control processes for SMEs: A conceptual study in perspective of Industry 4.0 adoption. *Journal of Intelligent Manufacturing*, 32(6), 1679–1698. <https://doi.org/10.1007/s10845-021-01783-2>
- Erlangga, H., Purwanti, Y., & Mulyana, Y. (2022). Entrepreneurial Spirit of Domestic Business Actor Digital Marketing for MSMEs in Bandung City. *Jurnal Administrare: Jurnal Pemikiran Ilmiah Dan Pendidikan Administrasi Perkantoran*, 8(2), 539–548.
- Franconi, B., Musso, F., & Cioppi, M. (2015). Decision-maker characteristics and international decisions for SMEs. *Management Decision*, 53(10), 2226–2249. <https://doi.org/10.1108/MD-03-2015-0094>
- Galvão, M. B., de Carvalho, R. C., Oliveira, L. A. B. de, & Medeiros, D. D. de. (2018). Customer loyalty approach based on CRM for SMEs. *Journal of Business & Industrial Marketing*, 33(5), 706–716. <https://doi.org/10.1108/JBIM-07-2017-0166>
- Georgiadis, A., & Pitelis, C. N. (2012). Human resources and SME performance in services: Empirical evidence from the UK. *The International Journal of Human Resource Management*, 23(4), 808–825. <https://doi.org/10.1080/09585192.2011.561236>

- Glaser, B. G., & Strauss, A. L. (2017). *The discovery of grounded theory: Strategies for qualitative research*. Routledge.
- Gunarathne, P., Rui, H., & Seidmann, A. (2018). When social media delivers customer service: Differential customer treatment in the airline industry. *MIS quarterly*, 42(2), 489–520.
- Haron, H., Ismail, I., Oda, S., Jalil, A. A., & Ishak, N. K. (2015). Ethics and Corporate Social Responsibility of Small and Medium Enterprises in Japan-Lessons Learnt. *Advanced Science Letters*, 21(4), 947–952. <https://doi.org/10.1166/asl.2015.5947>
- Hassan, T. M. R. T., Yaacob, M. R., & Abdullatiff, N. K. (2014). Sustaining SMEs Wood-based Product Manufacturing through Best Practices – The Case of Indigenous Entrepreneurs in Kelantan. *Procedia - Social and Behavioral Sciences*, 115, 221–234. <https://doi.org/10.1016/j.sbspro.2014.02.430>
- He, W., Wang, F.-K., Chen, Y., & Zha, S. (2017). An exploratory investigation of social media adoption by small businesses. *Information Technology and Management*, 18(2), 149–160. <https://doi.org/10.1007/s10799-015-0243-3>
- Hoye, R., Smith, A. C. T., Nicholson, M., & Stewart, B. (2015). *Sport management: Principles and applications*. Routledge.
- Iqbal, M., Kazmi, S. H. A., Manzoor, A., Soomrani, A. R., Butt, S. H., & Shaikh, K. A. (2018). A study of big data for business growth in SMEs: Opportunities & challenges. *2018 International Conference on Computing, Mathematics and Engineering Technologies (iCoMET)*, 1–7. <https://doi.org/10.1109/ICOMET.2018.8346368>
- Jindrichovska, I. (2013). *Financial management in SMEs*. <https://www.um.edu.mt/library/oar/handle/123456789/30988>
- Julyanthy, J., Putri, D. E., Lie, D., & Sudirman, A. (2021). MSME COMPETITIVE ADVANTAGES REVIEWED FROM ENTREPRENEURSHIP INSIGHT AND MARKET ORIENTATION ASPECTS WITH INNOVATION AS A MEDIUM. *Jurnal Manajemen Dan Bisnis*, 10(2), 30–40. <https://doi.org/10.34006/jmbi.v10i2.306>
- Kane, G. C., Palmer, D., Phillips, A. N., Kiron, D., & Buckley, N. (2015). Strategy, not technology, drives digital transformation. *MIT Sloan Management Review and Deloitte University Press*, 14(1–25).
- Kay, R. H. (2012). Exploring the use of video podcasts in education: A comprehensive review of the literature. *Computers in Human Behavior*, 28(3), 820–831. <https://doi.org/10.1016/j.chb.2012.01.011>
- Kirkwood, J., & Walton, S. (2014). How green is green? Ecopreneurs balancing environmental concerns and business goals. *Australasian Journal of Environmental Management*, 21(1), 37–51. <https://doi.org/10.1080/14486563.2014.880384>
- Kitchot, S., Siengthai, S., & Sukhotu, V. (2020). The mediating effects of HRM practices on the relationship between SCM and SMEs firm performance in Thailand. *Supply Chain Management: An International Journal*, 26(1), 87–101. <https://doi.org/10.1108/SCM-05-2019-0177>
- Klettner, A., Clarke, T., & Boersma, M. (2014). The Governance of Corporate Sustainability: Empirical Insights into the Development, Leadership and Implementation of Responsible Business Strategy. *Journal of Business Ethics*, 122(1), 145–165. <https://doi.org/10.1007/s10551-013-1750-y>
- Lachal, J., Revah-Levy, A., Orri, M., & Moro, M. R. (2017). Metasynthesis: An Original Method to Synthesize Qualitative Literature in Psychiatry. *Frontiers in Psychiatry*, 8. <https://www.frontiersin.org/articles/10.3389/fpsy.2017.00269>
- Madera, J. M. (2013). Best Practices in Diversity Management in Customer Service Organizations: An Investigation of Top Companies Cited by Diversity Inc. *Cornell Hospitality Quarterly*, 54(2), 124–135. <https://doi.org/10.1177/1938965513475526>
- Malshe, A., Friend, S. B., Al-Khatib, J., Al-Habib, M. I., & Al-Torkistani, H. M. (2017). Strategic and operational alignment of sales-marketing interfaces: Dual paths within an SME configuration. *Industrial Marketing Management*, 66, 145–158. <https://doi.org/10.1016/j.indmarman.2017.08.004>
- Marullo, C., Di Minin, A., De Marco, C. E., & Piccaluga, A. (2017). The ?Hidden Costs? Of Open Innovation in SMEs: From Theory to Practice. Dalam *Researching Open Innovation in SMEs* (hlm. 37–68). WORLD SCIENTIFIC. https://doi.org/10.1142/9789813230972_0002
- Mazzarol, T. (2014). Research review: A review of the latest research in the field of small business and entrepreneurship. *Small Enterprise Research*, 21(1), 2–13. <https://doi.org/10.1080/13215906.2014.11082073>
- McKeever, M. P. (2018). *How to Write a Business Plan*. Nolo.
- Mohamad, S. H., Othman, N. A., Jabar, J., & Majid, I. A. (2014). Customer relationship management practices: The impact on organizational performance in SMEs of food manufacturing industry. *European Journal of Business and Management*, 6(13), 35–48.
- Moroni, I., Arruda, A., & Araujo, K. (2015). The Design and Technological Innovation: How to Understand the Growth of Startups Companies in Competitive Business Environment. *Procedia Manufacturing*, 3, 2199–2204. <https://doi.org/10.1016/j.promfg.2015.07.361>

- Mulloji, E., Islami, X., & Skenderi, N. (2015). *Human Resource Management Practices and SMEs Performance: Study Based in Kosovo* (SSRN Scholarly Paper No. 2813379). <https://papers.ssrn.com/abstract=2813379>
- Nasrallah, N., & El Houry, R. (2022). Is corporate governance a good predictor of SMEs financial performance? Evidence from developing countries (the case of Lebanon). *Journal of Sustainable Finance & Investment*, 12(1), 13–43. <https://doi.org/10.1080/20430795.2021.1874213>
- Nilawati, E., Sitio, V. S. S., & Prayoga, D. (2021). The Relationship between Best Practices of Human Resource Management and the Operational Effectiveness of MSMEs. *Webology*, 18(2).
- Nugraha, M. S., Liow, R., & Evly, F. (2021). The Identification of Online Strategy Learning Results While Students Learn from Home During the Disruption of the COVID-19 Pandemic in Indonesia. *Journal of Contemporary Issues in Business and Government*, 27(2), 1950–1956.
- Odoom, R., Anning-Dorson, T., & Acheampong, G. (2017). Antecedents of social media usage and performance benefits in small- and medium-sized enterprises (SMEs). *Journal of Enterprise Information Management*, 30(3), 383–399. <https://doi.org/10.1108/JEIM-04-2016-0088>
- Ogunyomi, P., & Bruning, N. S. (2016). Human resource management and organizational performance of small and medium enterprises (SMEs) in Nigeria. *The International Journal of Human Resource Management*, 27(6), 612–634. <https://doi.org/10.1080/09585192.2015.1033640>
- Patten, M. L., & Newhart, M. (2017). *Understanding Research Methods: An Overview of the Essentials* (10 ed.). Routledge. <https://doi.org/10.4324/9781315213033>
- Puspawati, F. D., & Suhaimi, H. (2019). Developing Personal Selling SOP, Improving Website and Improving Company Profile of MSME of PT. Selula Dwiphaloka Teknologi. *IPTEK Journal of Proceedings Series*, 5, 8–15. <https://doi.org/10.12962/j23546026.y2019i5.6189>
- Reijonen, H., & Laukkanen, T. (2010). Customer relationship oriented marketing practices in SMEs. *Marketing Intelligence & Planning*, 28(2), 115–136. <https://doi.org/10.1108/02634501011029646>
- Sawitri, D., & Suswati, E. (2019). *Strategy for Diversifying Typical Snacks of Trenggalek Products to Increase Competitiveness in the Era of SDGs by Using Business Model Canvas*. 305–312. <https://doi.org/10.2991/icoi-19.2019.52>
- Shafeek, H. (2016). The impact of human resources management practices in SMEs. *Annals of the Faculty of Engineering Hamedara*, 14(4), 91.
- Shaw, S. J., & Shaw, E. K. (1977). *History of the Ottoman Empire and Modern Turkey: Volume 2, Reform, Revolution, and Republic: The Rise of Modern Turkey 1808-1975* (Vol. 11). Cambridge University Press.
- Sheehan, M. (2014). Human resource management and performance: Evidence from small and medium-sized firms. *International Small Business Journal*, 32(5), 545–570. <https://doi.org/10.1177/0266242612465454>
- Singh, L. B., Mondal, S. R., & Das, S. (2020). Human resource practices & their observed significance for Indian SMEs. *Revista ESPACIOS*, 41(07). <http://www.revistaespacios.com/a20v41n07/20410715.html>
- Stentoft, J., Rajkumar, C., Freytag, P. V., & Mikkelsen, O. S. (2020). Sales and operations planning: Empirical insights into perceived relevance and lack of implementation. *Supply Chain Forum: An International Journal*, 21(4), 246–259. <https://doi.org/10.1080/16258312.2020.1801106>
- Tambe, P., Cappelli, P., & Yakubovich, V. (2019). Artificial Intelligence in Human Resources Management: Challenges and a Path Forward. *California Management Review*, 61(4), 15–42. <https://doi.org/10.1177/0008125619867910>
- Theodorakopoulos, N., Kakabadse, N., & McGowan, C. (2014). What matters in business incubation? A literature review and a suggestion for situated theorising. *Journal of Small Business and Enterprise Development*, 21(4), 602–622. <https://doi.org/10.1108/JSBED-09-2014-0152>
- Tondeur, J., van Braak, J., Sang, G., Voogt, J., Fisser, P., & Ottenbreit-Leftwich, A. (2012). Preparing pre-service teachers to integrate technology in education: A synthesis of qualitative evidence. *Computers & Education*, 59(1), 134–144. <https://doi.org/10.1016/j.compedu.2011.10.009>
- Torugsa, N. A., O'Donohue, W., & Hecker, R. (2012). Capabilities, Proactive CSR and Financial Performance in SMEs: Empirical Evidence from an Australian Manufacturing Industry Sector. *Journal of Business Ethics*, 109(4), 483–500. <https://doi.org/10.1007/s10551-011-1141-1>
- Utomo, S., Sutrisno, J., Sinulingga, G., & Dachi, A. (2022). Achieving MSMEs business performances by innovation and value chain through competitive advantages. *Linguistics and Culture Review*, 6, 674–685. <https://doi.org/10.21744/lingcure.v6nS1.2112>
- Wolf, E. R. (1999). *Peasant wars of the twentieth century*. University of Oklahoma Press.
- Wuen, C. H., Ibrahim, F., & Ringim, K. J. (2020). The Impact of Human Resource Management Practices on SMEs Performance: An Exploratory Study in Brunei Darussalam. *International Journal of Asian Business and Information Management (IJABIM)*, 11(2), 68–87. <https://doi.org/10.4018/IJABIM.2020040105>