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Human Resource Strategies for Enhancing Creative Product Competitiveness in the Digital Era

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ABSTRACT

This study addresses the challenges faced by Human Resources (HR) in micro, small, and medium enterprises (MSMEs) in adapting to digital advancements, particularly in leveraging social media for marketing. The research focuses on Mom Fithri Brass & Copper Craft and Fried Shallot business located in Cepogo, Boyolali, where HR capabilities in digital marketing remain limited despite its vast potential. This study aims to analyze the role of Human Resource Management (HRM) in enhancing the development of creative economy products in the digital era. A descriptive qualitative approach was employed, using observation, interviews, and documentation as data collection methods. The population consisted of 30 employees and one business owner, with the sample being the business owner. Findings reveal that HRM plays a pivotal role in improving the digital competencies of human resources, which in turn fosters innovation and enhances product development. The training implemented significantly improved digital marketing knowledge and skills, enabling the MSMEs to become more competitive in the global marketplace. Moreover, HR demonstrated increased creativity in utilizing social media to expand market reach and visibility of their products.

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Keywords
Creative Economy
Digital Marketing
MSMEs
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Introduction

In the current era, the use of the internet for commercial activities has experienced significant growth. Technological advancements continue to evolve rapidly each year, with digital developments—particularly in social media platforms such as Facebook, Twitter, Instagram, WhatsApp, Line, TikTok, and others—gaining widespread traction in Indonesia. Digital marketing refers to promotional activities for products or services, or the creation of marketing channels and brand building through various digital media, including websites, emails, databases, digital TV, and other innovative tools such as blogs, AdWords, RSS feeds, podcasts, and social networks [1]-[3]. Although social media was initially developed as a platform for social interaction, over time, it has become a valuable tool for commercial purposes. Many individuals have seized this opportunity, especially since most marketing activities conducted via social media are free of charge, with only minimal costs related to advertising and product production [4]-[6].

Indonesia is endowed with abundant natural and human resources. However, the overall quality of its human resources remains suboptimal, which in turn affects labor productivity in the country [7]. One of the key challenges faced by creative economy actors, besides limited financial capital, is the underutilization of rapidly advancing digital technologies to enhance product sales and business development [10], [11]. To remain competitive and sustainable in today's economic environment, it is essential for entrepreneurs to effectively leverage digital technologies [12].

One such example of a creative economy enterprise is found in Cepogo, Boyolali, where local human resources are actively engaged to support the business operations. Mom Fithri is a micro, small, and medium enterprise (MSME) that offers handcrafted products made from brass and copper, as well as processed fried shallots. Established in late 2017, the business is named after its founder and owner. The artisans and fried shallot processors involved in the production are primarily residents of Cepogo, Boyolali. The business aims not only to generate income but also to empower the local community and support shallot farmers by helping them develop creative products that preserve regional identity [10], [11].

Given the increasingly sophisticated technological landscape, creative economy entrepreneurs must market their products widely by leveraging available digital tools. The availability of human resources who can adapt to digital developments is crucial for achieving business growth in the current era [12], [13]. At Mom Fithri, the human resources involved have yet to fully utilize the potential of digital platforms, especially social media, for marketing purposes. Therefore, this study aims to examine the role of human resource management in the development of creative economy products in the era of digital marketing.

Based on the background outlined above, this study seeks to answer the following research question: What is the role of human resource management in the development of creative economy products at Brass & Copper Craft and Fried Shallot Processing in Cepogo, Boyolali, in the era of digital marketing? The primary objective of this study is to understand and analyze the role of human resource management in advancing creative economy products through the effective use of digital marketing strategies.

Materials and Methods

A. Research Design and Data Collection

This study adopts a qualitative research approach, specifically field research, which involves collecting data directly from sources in the field. The primary data for this study were obtained from direct interactions with individuals involved in the Mom Fithri Brass & Copper Craft and Fried Shallot Processing enterprise in Cepogo, Boyolali. In addition to field research, this study also incorporates library research, in which data were sourced from books, scholarly articles, reports, and previous studies relevant to the research topic.

The nature of this research is descriptive, aiming to portray or describe the characteristics or values of one or more variables independently, without manipulation. Both primary and secondary data were utilized in this study. Primary data were collected through direct communication with the business owner of Mom Fithri. The population in this study comprises all 30 individuals involved in the enterprise, including artisans and shallot processors. However, the sample selected for in-depth analysis consists of one key informant: the owner of Mom Fithri.

To gather qualitative data, the study employed three main techniques: observation, interviews, and documentation. Observations were conducted on-site to understand work processes and the use of digital marketing. Interviews were conducted to explore the role of human resource management in the development of creative economy products. Documentation involved the collection of existing business records, promotional materials, and other relevant documents. These methods provided a comprehensive understanding of the research subject from both empirical and theoretical perspectives.

B. Data Analysis

The analysis of qualitative data in this study follows a descriptive approach, where the collected data are presented as they are, then analyzed to align with the research objectives. This process involves interpreting and organizing the data in a manner that accurately reflects the current practices and challenges within the enterprise.

The qualitative data analysis in this study adopts the interactive model proposed by Miles and Huberman, as cited by Sugiyono. This model consists of three interconnected stages: data reduction, data display, and conclusion drawing/verification.

- Data reduction involves selecting, focusing, simplifying, and transforming raw data into meaningful categories.
- Data display refers to the organized presentation of information to facilitate understanding and interpretation.
- Conclusion drawing and verification involve identifying patterns, themes, and relationships, followed by the confirmation of findings through continual comparison and reflection until data saturation is achieved.

By integrating both field and library data, this study aims to provide a holistic view of the role of human resource management in the development of creative economy products within Mom Fithri, particularly in the context of digital marketing.

Results

A. Human Resource Management in Mom Fithri

HR are the core assets of any organization, including micro, small, and medium enterprises (MSMEs). In Mom Fithri Brass & Copper Craft and Fried Shallot Processing, HR plays a vital role in the achievement of business objectives. However, the current state of HR management within this enterprise reveals several gaps, particularly in the context of digital transformation. While traditional skills such as craftsmanship and food processing remain strong, digital literacy among the workforce is still limited.

The HR practices observed include informal recruitment processes, minimal digital skills training, and limited performance evaluation mechanisms. According to Taylor [14], HRM encompasses key areas such as recruitment, training, compensation, and performance evaluation. In the case of Mom Fithri, these functions are not yet implemented in a structured manner, which hinders the enterprise's ability to adapt to the digital economy. Table 1 summarizes the key findings regarding the current state of HR practices.

Table 1. Current Human Resource Practices in Mom Fithri

HR Component	Current Status	Identified Issues
Recruitment	Informal, based on local networks	Lack of a professional selection process
Training & Development	Minimal, primarily technical skills only	No digital skills training
Performance Evaluation	Based on verbal feedback	No structured performance appraisal system
Digital Literacy	Low among artisans and workers	Inability to use social media or digital platforms

These limitations indicate a need for a more structured HRM approach that is aligned with the demands of the digital era. As emphasized by Wahdaniah et al. [3], training in digital skills is crucial to improving employee performance and aligning with business needs.

B. Integration of Digital Technology and Strategic Responses

The rise of digital technology has significantly transformed business operations across sectors, including MSMEs. In the context of Mom Fithri, the enterprise faces challenges such as limited adoption of digital tools, a lack of understanding of digital marketing, and resistance to change. These obstacles have hindered its ability to compete in broader markets.

To address these challenges, a strategic response was proposed, which includes the implementation of targeted digital skills training, mentoring on the use of technology, and strategic business consulting. These interventions aim to equip the workforce with the necessary competencies and confidence to navigate the digital marketplace. See Table 2.

Table 2. Proposed Strategic Solutions for Digital HR Development

Identified Challenge	Strategic Intervention	Expected Impact
Low digital literacy	Conduct digital skills training workshops	Enhanced worker competence in using digital tools
Limited technology adoption	Provide hands-on mentoring for social media usage	Improved online marketing and customer engagement
Lack of structured business strategy	Offer business consulting and planning sessions	Increased market reach and operational efficiency

The expected outcomes from these interventions include the improvement of digital capabilities among staff, more effective use of social media for product promotion, and enhanced competitiveness in both local and digital markets. As supported by Colbert et al. [9] and Basu [15], digital technology can reshape traditional business strategies and enable operations beyond spatial and temporal boundaries. These efforts are expected to lead to the development of a digitally empowered Mom Fithri, capable of maintaining its local identity while expanding its presence in the broader digital economy. This transformation aligns with national efforts to promote the sustainability and global competitiveness of Indonesian MSMEs [16][17].

Discussion

The implementation of HRM strategies in Mom Fithri Brass & Copper Craft and Fried Shallot Processing in Cepogo, Boyolali, demonstrates a clear positive transformation in the enterprise's operational dynamics. Initially, the enterprise struggled with low digital literacy and inadequate human capital strategies, which significantly limited its ability to operate efficiently and compete in a rapidly digitalizing market. The intervention, which focused on digital skills training, technology mentoring, and strategic business consultation, produced tangible improvements. Employees showed notable gains in digital competency, allowing them to integrate technology into various aspects of HRM, ranging from task coordination and communication to strategic decision-making and performance evaluation. These developments echo the findings of Wahdaniah et al. [8], who emphasized the necessity of

equipping MSME employees with digital capabilities to remain competitive in the digital era. Similar observations were made by Jayabalan et al. [12] and Jakub & Miluše [13], who asserted that digital transformation enhances human resource efficiency and strategic alignment.

Table 3 presents a comparative view of the conditions before and after the HRM interventions.

Table 3. Results of HRM Role Implementation

Initial Condition	Intervention	Change Observed
Limited understanding and application of digital skills in HR management	Digital skills training, technology usage mentoring, and strategic business consultation	Significant improvement in digital skills, more effective technology adoption, and enhanced competitiveness
Operational inefficiencies and limited market competitiveness	Structured HRM and adaptive business strategy development	Efficient HR operations, strategic adaptability, and broader digital market reach
Difficulty in responding to Industry 4.0 challenges due to traditional HR practices	Integration of digital tools into HR planning, performance tracking, and employee development strategies	Innovation in HR development, better alignment with digital business practices, and sustained local economic impact.

These outcomes indicate that the proactive role of HRM can catalyze digital transformation in MSMEs. The findings support the perspective of Colbert et al. [9] and Basu [15] that digital technology is not merely a tool but a strategic resource capable of reshaping business models and enhancing cross-functional efficiency. Moreover, the observed improvements affirm the notion proposed by Respatiningsih [16] that MSMEs require continuous HR development, including strategic planning and training, to remain sustainable and globally competitive. This is also consistent with Setiono's argument [8] that competitive advantage in the era of Industry 4.0 hinges on improving human capital.

Through the interventions, Mom Fithri was able to overcome previously entrenched limitations. The business has now transitioned toward a more adaptive, technology-oriented model. This transformation not only enhanced the enterprise's operational efficiency but also contributed to the economic development of the local community by creating a model for replicable HR-driven innovation in other MSMEs. The study highlights the critical role of HRM in fostering innovation and resilience in MSMEs facing the challenges of the digital era. With continued support and structured development programs, such enterprises have the potential to thrive both locally and globally [5], [10], [11].

Conclusion

The role of human resource management (HRM) in the digital era is pivotal to enhancing competitiveness. As demonstrated in this study, improving human capital through digital-based HR training significantly supports the enterprise's capacity to adapt, operate efficiently, and thrive amid intensifying global competition. The advancement of HR

competencies—particularly in utilizing digital tools—has empowered the business to innovate in workforce development, streamline operations, and expand market reach. These outcomes affirm that effective HRM is not only a functional necessity but also a strategic enabler of MSME sustainability in the digital economy. The success of this initiative also underscores the importance of collaborative efforts among stakeholders, including educational institutions, local government, and industry partners. Such cooperation is essential to fostering an ecosystem that supports continuous learning, innovation, and inclusive growth for MSMEs. Ultimately, equipping MSMEs with robust HRM capabilities in the digital era is a vital step toward building resilient, future-ready enterprises. Continued investment in digital skill development and strategic HR interventions will be key to ensuring long-term business viability and meaningful contributions to the local and national economy.

Conflict of Interest

The authors declare that there is no conflict of interest.

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