

Analysis of Human Resource Policy in Increasing Productivity at the Medan City Cooperative Service

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Abstract

The Medan City Cooperative Office plays an important role in the development of cooperatives, demanding quality and productive Human Resources (HR). This study analyzes HR policies at the Medan City Cooperative Office and their impact on employee productivity. Using a qualitative method with a case study approach, data were collected through interviews, observations, and document studies. The results of the study indicate that HR policies at the Medan City Cooperative Office include planning, recruitment, development, performance appraisal, compensation, and career management. This policy contributes positively to increasing productivity, but there are several obstacles such as lack of training and development, and a suboptimal performance appraisal system. Other factors that affect productivity are motivation, work environment, and leadership. This study recommends the Cooperative Office to improve training programs, improve the performance appraisal system, and create a more conducive work environment.

Keywords: HR Policy, Work Productivity, Cooperative Service, Medan City, Work Motivation, Work Environment, Leadership.

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Introduction

The people's economy implies that the economic system describes the importance of strengthening the interests of the people and the livelihoods of many people which are based on the sovereignty of the people. The people's economy must be supported from below, where the people have the opportunity to participate actively in economic activities that can support themselves (self-sufficient), build themselves (self-empowering), come from the people and are managed by the people or the community itself to achieve economic added value and social added value. In line with this, the concept of developing a community-based people's economy is one of the methods and strategies used in strengthening the community's economy in resistance to the dominance of corporations and free market economies that are individualistic, exploitative, and based on the power of capital. This model emphasizes economic development by optimizing local resources that are managed collectively, namely, based on the strength of community members with the principles of mutualism and kinship. The manifestation of its conceptual framework into a more technical and operational form of economic institutions, finds a suitable format in cooperatives as a medium and tool for community-based economic struggle. The idea of the importance of an economy that favors the people became the basis for the birth of Articles 27 and 33 of the 1945 Constitution. The two articles then became the basis for consideration for the birth of the Cooperatives Law (Law of the Republic of Indonesia Number 25 of 1992) and the Law on Small and Medium Enterprises (Law of the Republic of Indonesia Number 20 of 2008). Thus, it is clear that there is a close relationship between the people's economy and cooperatives and small and medium enterprises.

The Medan City Cooperative Service has a strategic role in the development and empowerment of cooperatives in its region. As an organization engaged in public services, the Cooperative Service is required to have quality and productive human resources (HR). The quality and productivity of HR are key factors in determining the success of the Cooperative Service in achieving its goals. An effective human resources (HR) policy is an important foundation in creating quality and productive HR. A good HR policy will be able to attract, develop, retain, and motivate employees to give their best performance. In the context of the Medan City Cooperative Service, the right HR policy will help increase employee work productivity, which will ultimately have an impact on improving the overall performance of the organization.

This study will analyze the HR policies implemented in the Medan City Cooperative Office and how these policies contribute to increasing employee work productivity. The analysis will cover various aspects of HR policies, ranging from HR planning, recruitment and selection, development and training, performance appraisal, compensation and rewards, to career management. In addition, this study will also identify other factors that can affect employee work productivity in the Medan City Cooperative Office, such as work environment, leadership, and organizational culture. By understanding these factors, the Cooperative Office can formulate a more comprehensive strategy to increase employee work productivity.

The development of cooperatives is in accordance with the identical development of the people's economy. The historical background of national and global cooperatives shows that cooperatives are institutions created to protect the poor and weak. The words "Cooperative" and people are two keywords that are very closely attached. The word people is used to avoid the assumption that the cooperative movement is elitist. The use of such words does give the impression of being dichotomous, namely clearly distinguishing the people's economy from the large business sector (conglomerates). However, in certain contexts, such a dichotomous approach is needed for the effectiveness of cooperative efforts to protect its members from exploitation by the economic elite. Protection of cooperative members is carried out by strengthening the bargaining position of cooperative members together (collective bargaining) in conducting economic transactions with other parties. The collective bargaining position is quite influential in efforts to concretize the potential resources of members, and to achieve the welfare of members and the surrounding community (Ismawan, 2001). This research is

expected to provide a significant contribution to the Medan City Cooperative Service in efforts to improve the quality and productivity of human resources. The results of this study can be used as input in the preparation of more effective and efficient HR policies, so that the Cooperatives Service can achieve its goals better.

Literature review

Human Resource Management

HR is the planning, organizing, directing, and controlling of the procurement, development, compensation, integration, maintenance, and termination of employees, with the aim of realizing the goals of the company, individuals, employees, and society (Edwin B. Flippo, 1984). HR is the proper and effective application of the process of acquisition, utilization, development and maintenance of personnel owned by an organization effectively to achieve an optimal level of human resource utilization by the organization in achieving its goals (Achmad S. Rucky, 2001).

Understanding Work Productivity

Productivity is the comparison between output and input. Output can be in the form of goods or services, while input can be in the form of labor, capital, raw materials, and energy (JW Kendrick, 1977). Work productivity is a mental attitude that always seeks improvement on what already exists. A belief that someone can do a better job today than yesterday and tomorrow better than today (Sutrisno, 2017). Productivity is the comparison between output and input. If productivity increases, it will increase efficiency (time-materials-labor) and work systems, production techniques and an increase in the skills of its workforce (Hasibuan, 2009). Productivity is a comparison between the results achieved with the participation of the workforce per unit of time (Kusrianto, 2017).

Understanding Work Motivation

Humans have five levels of needs (physiological, safety, social, esteem, and self-actualization) that influence their motivation. Lower needs must be met before a person is motivated to meet higher needs (Abraham Maslow, 1943). Frederick Herzberg (1966) distinguished factors that cause job satisfaction (motivators) and job dissatisfaction (hygiene factors). Motivators such as achievement, recognition, responsibility, and the work itself can increase motivation, while hygiene factors such as pay, working conditions, and interpersonal relationships can prevent dissatisfaction but do not necessarily increase motivation. David McClelland (1961) identified three primary needs that motivate humans, namely the need for achievement, the need for affiliation, and the need for power. Each individual has a different combination of needs, which influences their preferences and behavior at work.

Victor Vroom (1964) stated that a person's motivation is influenced by their belief that the effort they make will result in good performance, good performance will result in rewards, and the rewards are valuable to them. Edwin Locke (1968) emphasized the importance of clear and challenging goals in motivating employees. Specific and measurable goals can improve performance if employees accept and commit to achieving them. Meanwhile, Albert Bandura (1977) explained that a person's belief in their ability to succeed in a task (self-efficacy) can affect their motivation and performance. People with high self-efficacy tend to be more motivated and persistent in facing challenges.

Definition of Leadership

Leadership is a broad and complex field, with many different theories and approaches. Understanding the various theories of leadership can help leaders develop an effective leadership style that is appropriate to the situation at hand. According to (Robert House, 1971) emphasizes the role of leaders in helping employees achieve their goals. Leaders can use various leadership styles, such as directive, supportive, participative, and achievement-oriented,

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depending on the situation and the needs of the employees. According to (James MacGregor Burns, 1978) introduced the concept of transformational leadership, which emphasizes the leader's ability to inspire and motivate followers to achieve extraordinary goals. While (Bernard Bass, 1985) further developed the concept of transformational leadership and distinguished between transformational and transactional leadership. Transformational leadership involves four dimensions, namely charisma, inspiration, intellectual stimulation, and individual attention.

Research methodology

The research methodology used in this study is a qualitative method with a case study approach. The qualitative method was chosen because this study aims to understand in depth about HR policies and their influence on employee work productivity at the Medan City Cooperative Office. The case study approach is used because this study focuses on one particular organization, namely the Medan City Cooperative Office, to obtain a comprehensive and detailed picture.

Data collection

The data in this study were collected using several techniques, namely:

1. Interview

Interviews were conducted with various informants, such as heads of departments, heads of divisions, heads of sections, and staff at the Medan City Cooperatives Office. The interviews aimed to dig up in-depth information about HR policies, their implementation, and their impact on work productivity.

2. Observation

Observations were conducted to directly observe the work process, interactions between employees, and the work environment at the Medan City Cooperative Service. Observations aim to obtain a real picture of conditions in the field.

3. Document Study

Document studies were conducted to collect data from various documents, such as regulations, policies, reports, and archives related to HR and work productivity at the Medan City Cooperative Service.

Data analysis

The collected data was analyzed descriptively qualitatively. The stages of data analysis include:

1. Data reduction

Select, simplify, and organize the collected data.

2. Data presentation

Present data in narrative, table, or diagram form to make it easy to understand.

3. Conclusion drawing and verification

Draw conclusions from the data presented and carry out verification to ensure the validity of the conclusions.

Results and Discussion

Overview of Medan City Cooperative Service

The Medan City Cooperative Service is a government agency responsible for the development and empowerment of cooperatives in the Medan City area. This service has the main task and function of fostering, facilitating, and advocating for cooperatives so that they can grow and develop into strong and independent business entities. The organizational structure of the Medan City Cooperative Service consists of several fields and sections, each of which has specific tasks and responsibilities. The number of employees in the Medan City Cooperative Service is relatively limited, thus requiring optimization of the performance of each individual to achieve organizational goals.

Human Resource Policy Analysis

As one of the autonomous regions with city status in the province of North Sumatra, the position, function and role of the city of Medan is quite important and strategic regionally. Even as the capital city of North Sumatra Province, the city of Medan is often used as a barometer in the development and implementation of regional government. Geographically, the city of Medan has a strategic position because it borders directly with the Strait of Malacca in the north, so it is relatively close to more developed cities/countries such as Penang Island, Malaysia, Singapore and others. Likewise, demographically, the city of Medan is estimated to have a relatively large market share for goods/services. This is inseparable from its relatively large population, which in 2012 was estimated to have reached 2,083,156 people. Likewise, economically, with an economic structure dominated by the tertiary and secondary sectors, the city of Medan has great potential to develop into a regional/national trade and financial center. In general, there are 3 (three) main factors that influence the performance of city development, (1) geographical factors, (2) demographic factors and (3) socio-economic factors. These three factors are usually related to each other, which simultaneously influence the efficiency and effectiveness of city development.

Rapid economic development in Medan has also influenced the development of cooperatives in Medan. Quantitatively, in recent years, the development of cooperatives in Medan has been extraordinary. The number, type, membership, and capital capacity have grown rapidly. However, this development has not been able to achieve the expected target. One of the reasons is because cooperatives themselves have not yet become commonplace. There are still many members of the community who do not comprehensively understand what, why and how cooperatives really are. The low level of public understanding ultimately has a negative impact on the interest of the community to become members and actively participate in the development of cooperatives. Likewise, the existence of Multipurpose Cooperatives (KSU) in Medan City according to data from the Medan City Cooperatives and Micro, Small and Medium Enterprises Service, states that in terms of numbers, cooperatives in Medan City have experienced rapid progress. This can be seen from the number of cooperatives, the number of members and the Net Operating Surplus (SHU), where the number of cooperatives currently in the city of Medan is around 2000 units, while those that are still active are around 1200 cooperative business units, while the number of MSMEs is around 212,142 MSMEs in the city of Medan, and all of them remain under the guidance of the Medan City Cooperative Service. However, in terms of quality, the growth in the quantity of Cooperatives is not balanced by an increase in the quality of good Cooperatives.

The HR policy at the Medan City Cooperatives Service has covered various important aspects, including:

1. Human Resource Planning
The Cooperatives Service has had quite good HR planning, although it still needs to be improved in terms of employee needs analysis and HR needs projections in the future.
2. Recruitment and Selection
The recruitment and selection process is carried out openly and transparently, prioritizing the competence and qualifications of prospective employees.
3. Development and Training
The Cooperatives Service has organized several training programs to improve employee competency, but the frequency and variety of training still need to be improved.
4. Performance assessment
The performance appraisal system has been implemented, but is not yet optimal because it still focuses on formal aspects and does not provide constructive feedback for employees.
5. Compensation and Rewards

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The compensation and reward system is in accordance with applicable regulations, but needs to be reviewed to ensure that the system can motivate employees to improve performance.

6. Career Management

The Cooperatives Service already has a career management system, but its implementation still needs to be improved in order to provide fair opportunities for employees to develop their careers.

Conclusion

This study shows that HR policies in the Medan City Cooperative Office have contributed positively to increasing employee work productivity. However, there are still several areas that need to be improved, such as training and development programs, performance appraisal systems, and the work environment. By improving these weaknesses and implementing the recommendations given, the Medan City Cooperative Office is expected to be able to further improve the quality of HR and employee work productivity, so that it can achieve organizational goals better. Some recommendations that can be given to the Medan City Cooperative Office include:

1. Improving training and development programs

The Cooperatives Service needs to increase the frequency and variety of training, and provide more structured career development programs.

2. Perfecting the performance appraisal system

The performance appraisal system needs to be improved to focus more on achieving targets and providing constructive feedback to employees.

3. Creating a more conducive work environment

The Cooperatives Service needs to create a comfortable, safe and supportive working environment, as well as encourage good communication and cooperation between employees.

4. Implementing an effective leadership style

Leaders in the Cooperatives Service need to apply a transformational leadership style, which can motivate and inspire employees to achieve organizational goals.

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