JURNAL INOVASI EKONOMI

Analytical Hierarchy Process of human resources performance: perceptions perspective

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Abstract

This research aims to recommend a policy model as the base in making strategies to improve the performance and sustainable competitiveness of Micro, Small & Medium Enterprises (MSMEs) in the tourism sector. Variables used by this research are role, actor, and priority. These variables are measured by weighing them against human resource performance. Method of research involves quantitative and qualitative approaches. The sampling technique is purposive sampling. The research results comprise three findings, which all refer to the results of assessment done by the employees of MSMEs regarding the relationship between variables and MSMEs performance. First, transglobal leadership is the most needed criterion to improve performance. The second is that Community is the actor whose role is most needed to improve performance. Finally, the third is productivity and professionality as a priority.

Keywords: MSMEs; human resource; leadership; community; professionality

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Introduction

East Java is one of the Indonesian provinces that MSMEs, including the tourism sector, dominantly drive. However, there is intense competition among these MSMEs. Each feels it necessary to create strategies to improve and develop their performance to keep them competitive sustainably. Various methods and strategies have been offer and applied to improve and develop performance (Istifadah 2014; Kemenkop dan UKM 2015; Pangestika, Santoso, and Astuti 2016). However, national studies still show gaps in the quality of human resources, for example, a lack of interdependence due to weak relationships with the academic world. Also, the National Tourism Development Master Plan and the National Medium Term Development Plan have not significantly affected human resource development due to weak legitimacy (Rhama 2020). The same thing is also needed for sustainable tourism; mindset, regulations, and human resources are obstacles to creating sustainable growth (Wijaya, Arcana, and Sudarmawan 2019).

The academic literature that discusses measuring the quality of human resources, especially in MSMEs in the tourism sector, is minimal. The lack of literacy can make the authorities' policies not on target because the policies are not by the needs of MSMEs in the tourism sector. Analytical Hierarchy Process (AHP) is a method to solve a complex unstructured situation into several components in a hierarchical arrangement by giving subjective values about the relative importance of each variable and determining which variables have the highest priority to influence the outcome in that situation. The decision-making process is basically choosing the best alternative. Such as conducting problem structuring, determining alternatives, assigning probability values for parable variables, determining values, time preference requirements, and specification of risks. Regardless of the width of the definable alternatives or the detailed assessment of the probability value, the pervasive limitation is the basis for comparison in the form of a single criterion.

AHP is used to see human resource needs in the era of the industrial revolution 4.0, made based on four main criteria, namely innovation, organization, environment, and financial aspects, and the relative weight of the criteria and sub-criteria. (Sevinç, Gür, and Eren 2018). Meanwhile, (Sensuse, Cahyaningsih, and Wibowo 2015) AHP uses access knowledge management as a set of activities to create organizational competitive advantages, which are enhanced organizational objectives through innovation and organizational services using organizational knowledge. The advantages of AHP are also used to ensure the consistency of reports to clearly identify the root causes of accidents and produce Human Factors Analysis and Classification System (Celik and Cebi 2009).

To our best knowledge, we also argue that the use of AHP to optimize MSMEs development in the tourism sector in East Java in the primary literature is almost non-existent. Therefore, this study contributes to expanding the literature on what local and regional governments in East Java should do to improve its tourism sector and optimize it.

Method

The method of this research is using both quantitative and qualitative approaches. The sampling technique is purposive sampling. The structural model's minimum criteria were applied in determining sample size, and the criteria require the sample to have members between 100 and 200 units. Consistent with such criteria, the research sample comprises 200 MSMEs of the Tourism Sector selected from 10 regions in East Java Province. The ten regions consist of Blitar (City and Regency), Malang (City and Regency), Batu City, Pasuruan (City and Regency), Kediri (City and Regency), and Sidoarjo Regency. From each MSME, research takes four employees (human resource personnel) and three tourists to become informants. Totally, this research involves 800 employees and 600 tourists, either domestic or foreigner. Research location takes place at ten regions, which precisely are cities and regencies used as the representatives of all regions in East Java Province. Variable included in this research consists of criteria, role, actor, and priority. Each variable is measured by weighing against MSMEs performance.

Empirical Result

The results of the analysis using the AHP method are summarized in Table 1. The table shows that each area sampled has different characteristics. Blitar City, Kediri, and Sidoarjo Regencies revealed that the most important thing that needs to be improved to increase MSMEs' performance in the tourism sector is employee performance. According to the respondents who were the samples in this study, the performance of employees in the Blitar, Kediri, and Sidoarjo districts is the most important factor. This result raises the suspicion that employee performance is one of the obstacles in developing tourism in Blitar City, Kediri Regency, and Sidoarjo.

Meanwhile, for Kediri and Pasuruan districts, the main concern is Job Involvement. Regarding the cause, this research has not been explored further. Still, there are indications that the salaries and awards received by workers in this sector are not maximal, so respondents feel that Job Involvement is the first thing that needs to be improved. Job involvement is a concept based on cognition, the extent to which the individual identifies with the job, the extent to which the individual actively participates with the job, and the extent to which the individual considers work performance as important to himself. Job

involvement is the degree to which an employee identifies his job, actively participates in it, and considers his work performance as important in appreciating himself (Ćulibrk et al., 2018; Rich, Lepine, and Crawford, 2010; Zopiatis, Constanti, and Theocharous 2014). So this study concludes that MSMEs tourism business actors, together with the government in Kediri and Pasuruan districts, need to pay more attention to Job Involvement to improve the performance of the tourism sector.

Table 1. The most important variable for each region

Region	Variable		
	Actor	Role	Priority
Blitar City	Employee Performance	Community	Image
Malang City	Quality of Work Life	Community	Professionality
Batu City	Transglobal Leadership	Related Institution	Professionality
Pasuruan city	Transglobal Leadership	MSME Director	Productivity
Kediri City	Job Involvement	Community	Professionality
Blitar Regency	Job Involvement	Community	Image
Kediri Regency	Employee Performance	MSME Director	Service Quality
Pasuruan Regency	Transglobal Leadership	Community	Productivity
Sidoarjo Regency	Employee Performance	Community	Productivity
Malang Regency	Transglobal Leadership	MSME Director	Productivity

Furthermore, Batu City, Malang Regency, Pasuruan City, and Pasuruan Regency, considered essential respondents, are leaders who have international insight. This can be understood because Batu City, Malang Regency, has extraordinary natural potential. Therefore, it is natural for respondents to assume that a leader who has the capacity for global thinking will make the area better. Meanwhile, further research is needed for Pasuruan City and Pasuruan Regency why respondents think leaders with global capabilities are required. We propose this hypothesis because both of them don't have natural resources such as Batu City and Malang Regency. Respondents think that to make the tourism sector grow better, Pasuruan City and Pasuruan Regency need leaders who have insight internationally. Therefore, we conclude that even though the actor variables chosen by respondents are the same, but based on different rationalizations.

Only Malang City shows that the main thing is the quality of work life. With a service-based city and one of the cities with the most universities in Indonesia, the orientation of the respondent has increased to the quality of work life. It is a management systems approach or organizational perspective to simultaneously and continuously improve the quality of life of employees in their work environment. Quality of Work Life can be done by providing a sense of security at work, job satisfaction, appreciation at work, and creating conditions for growth and development to increase the dignity of employees (Avasthi and Soni 2011; Cascio 2010; Velayudhan and Yameni 2012).

This study indicates that the actor variable can be divided into three main actors, namely management, leadership, and employees. In the sampled areas, only Malang City where the results indicated that the performance of human resources could be improved through an increase in work of life (managerial). At the same time, some were oriented towards leadership and employees. We think that improving the work of life is a goal that must be achieved by optimizing leadership potential. If the leadership in a company or organization is proper, it will bring a good managerial system and ultimately improve workforce performance. On the other hand, basic skills training as workers in the tourism sector also needs to be provided by the companies involved and in collaboration with local authorities.

Meanwhile, for the variable of role, the majority of regions stated that the role of the community was the most important. As an example, we take how the community plays a role in developing tourism potential. In this process, the community is directly involved in exploring the potential that exists in their area; this is important because the community is the owner of the existing potential so that the excavation carried out by the community will be able to produce a complete study of the potential that actually exists and can be developed following understanding, abilities, and needs of the community.

The benefits of exploring the potential by the community will provide knowledge from the beginning for the community about the potential of the area so that the community has an idea of what kind of potential development will look like to become an attraction in tourism development (Aas, Ladkin, and Fletcher 2005; Amir et al. 2015; Choi and Sirakaya 2006; Sutawa 2012). If the community is involved from the start, there will be a more optimal understanding of the area's potential and the benefits that can be obtained in developing the tourism industry. Bali is a concrete example of the interaction of local communities in tourism development. The harmony between the community, investors, and visitors will create potentials that can be maximized with efficient resources.

Furthermore, priority variables generally emphasize productivity and professionalism. These findings generally illustrate that work productivity and

professionalism are things that all workers, from the labor level to the top manager, must have. Increasing productivity is not easy because it is not enough just to encourage or motivate employees to work harder. In supporting motivation to employees, the right strategy is needed.

There are many ways to increase employee productivity and professionalism that can be done. Among them are: 1) Creating a comfortable work environment and providing good work facilities for all employees in the company; 2) Providing training programs for employees because training or training will have a major effect on employee performance; 3) Supervise and evaluate employee performance in the company. So that if there is a deviation from a predetermined goal or target, it can be corrected immediately; 4) Ensuring transparency of career paths; provide a reward, punishment, and motivation to move forward to employees. With motivation, employees will get strength in completing work tasks. Motivation is an effective way to increase employee productivity but must also be supported by other supporting strategies (Duszak and Muroff 2010; Machuca and Costa 2012; McCue and Gianakis 1997).

Conclusions

Based on the results and discussion of this study, this paper proposes that the tourism improvement program at the managerial level of MSMEs is not only the responsibility of the private sector but also the respective local governments. The issue of the quality of labor input can be improved through sharing training as needed. At the managerial level, the government can also take a role in encouraging the application of professional management starting from career paths, salaries, and incentives. In addition, community involvement in the planning process, employee recruitment, including quotas for local workers, and regional branding need to be improved. Our argument is based on the finding that, in general, the role of the community is still minimal in regional development.

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