

## Effects of integrated HRM on the optimization of marketing performance in the SMEs tourism industry

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### Abstract

The purpose of this study is to analyze the effect of integrated human resource management on the optimization of marketing performance. The subject under study is the Tourism Industry SMEs. Hypothesis testing is done by multiple regression testing with data processing using SPSS software version 25. There are five hypotheses used in this study, with the results obtained are 1) individual performance has a significant effect on marketing performance, 2) innovation culture has a significant effect on marketing performance, 3) rewards have a significant effect on marketing performance, 4) individual performance, innovation culture, and rewards have a simultaneous effect on marketing performance.

**Keywords:** Individual Performance; culture innovation; rewards; marketing performance

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## Introduction

The tourism industry is an essential factor for economic progress and contributes significantly to the country's economy; 9 (nine) percent contributes to Gross Domestic Product, as a foreign exchange contributor factor of Rp. (ONWTO, 2019). The progress of tourism generates excellent opportunities for people's welfare (Chawla & Guda, 2017). The government has caught the tourism industry business opportunity as a priority development sector which is expected to gain a lot of foreign exchange (Sijabat, 2017). Meanwhile, the paradigm of the number of tourist visits becomes a crucial thing to be taken into account. So that the decline in tourist visits in 2017-2021 figure 1 has become a phenomenon that requires strategic solutions, as follows in Figure 1.

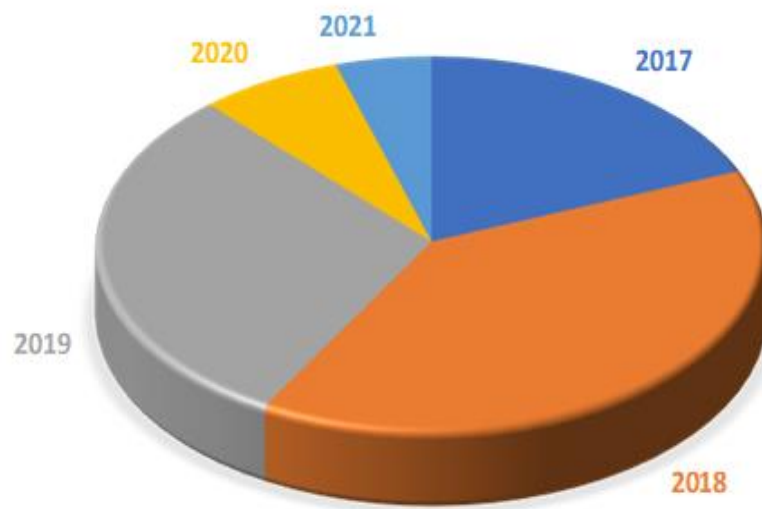


Figure 1. Visits of tourists per year

The absolute aspect of the solution strategy for the phenomenon, considering the perspective of tourist destinations, as an indicator of the success of the national development program in the field of sustainable tourism. Implementing the appropriate paradigm empowers SMEs in the tourism industry (Hermawati, 2018, 2019). On the other hand, the Indonesian government opens opportunities for the community to participate in maximizing tourist destinations by empowering tourism industry SMEs. The added value of SMEs is the business sector that survived the multidimensional crisis in 1998 and the global crisis in 2008. The existence of SMEs is an aspect of contributing to the regional and national economy as a driving force for the Indonesian economy (Sengupta et al., 2013). In the tourism industry, SMEs are the most significant contributor to GDP. So the empowerment of the tourism

industry SMEs is essential because it significantly impacts the economy both indicia and as a whole (Njoroge et al., 2015).

In terms of employment, the tourism industry SMEs have contributed to the field of more than 11 million people in Indonesia, so SMEs in cities and districts that are engaged in the tourism industry prepare the right marketing strategy. Aspects of optimizing the HRM strategy, collaborating in formulating the right integrated marketing strategy, indicating the right way, developing achievements, and strengthening the tourism industry SMEs. Meanwhile, as a priority development sector, tourism is expected to gain a lot of foreign exchange (Sijabat, 2017). It is proven that the Indonesian tourism sector contributes significantly to the community's welfare through the National Gross Domestic Product of 92.38% (Kememparkraf, 2019). Thus, the HRM strategy and integrated marketing strategy are dominant in the implementation of achievements.

## **Method**

This study uses a quantitative approach, which requires a system that will be used to carry out research. This study aims to analyze the effect of integrated human resource management on the optimization of marketing performance. The subject under investigation is the Tourism Industry SMEs. Hypothesis testing was carried out by multiple regression testing with data processing using SPSS version 25 software. The hypothesis is a temporary answer to the research problem formulation, where the research problem formulation has been stated in the form of a question sentence (Sugiyono, 2015).

The hypotheses in the study are as follows:

Hypothesis 1: it is suspected that individual performance has a significant effect on marketing performance

Hypothesis 2: It is supposed that Innovation Culture has a substantial effect on Marketing Performance

Hypothesis 3: allegedly, Rewards have a substantial effect on Marketing Performance

Hypothesis 4: It is suspected that Individual Performance, Innovation Culture, and Rewards have a simultaneous effect on Marketing Performance

Hypothesis 5: which one has the most dominant influence on Individual Performance, Innovation Culture, and Rewards on Marketing Performance

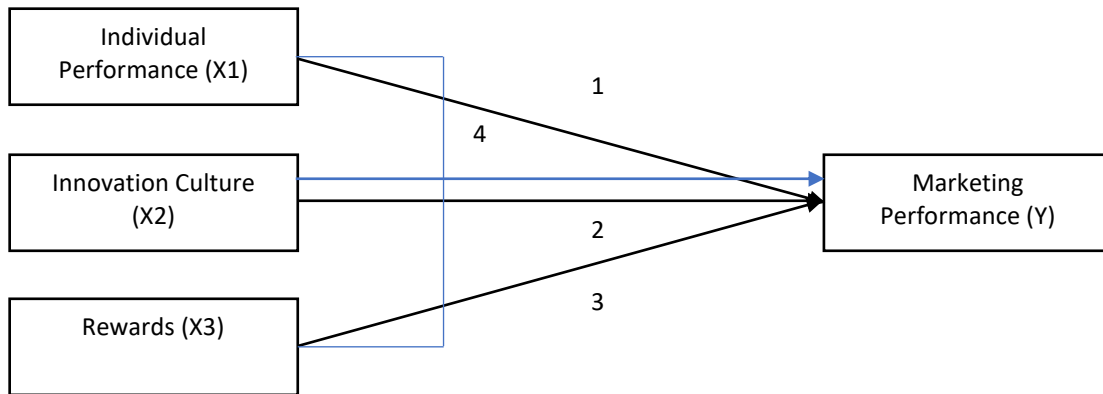


Figure 2. Research model

### Empirical Result

The validity test is used to see whether or not each instrument is valid in the variables that include individual performance, the culture of innovation, rewards, and marketing performance in tourism industry SMEs. The value of this test is 0.195 with DF = n-1 significant level of 0.05 (5%). The instrument is said to be valid if the correlation coefficient obtained is greater than the critical value of r. The results of the tests that have been carried out state that the correlation coefficient value of all items in each variable is greater than the table. Then, the next test stage is reliability, which is done by looking at the reliability coefficient we see whether it is reliable orient. The coefficient value ranges from 0 to 1. The closer to 1 indicates the more reliable, as shown in Table 1.

Table 1. Reliability Test

Variable	Correlation coefficient	Information
Individual Performance (X1)	0.676	Reliable
Innovation Culture (X2)	0.665	Reliable
Rewards (X3)	0.609	Reliable
Marketing Performance (Y)	0.635	Reliable

Then, the results of statistical tests regarding the influence of individual performance, innovation culture, and rewards on marketing performance with research results that have been processed through the SPSS program with partial and simultaneous multiple linear regression analysis, showing the following results.

**Table 2. Hypothesis Testing**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	,768	,762		1.008	,318
Individual Performance	,214	.042	,373	5,414	,000
Innovation Culture	,128	,032	,228	3.183	,009
Rewards	,413	,062	,419	6,161	,000

Dependent Variable: Marketing Performance

From the description of the results of count and table above, it can be explained that the results of the partial analysis can be described as follows:

1. Individual Performance has a significant effect on Marketing Performance in Tourism Industry SMEs; it is known that individual performance has a T-Statistics value of 5.414 with a significance level of less than 0.05 ( $0.000 < 0.05$ ), it is stated that the first hypothesis is accepted.
2. Innovation Culture has a significant effect on Marketing Performance in Tourism Industry SMEs; it is known that the innovation culture has a T-Statistics value of 3.183 with a significance level of less than 0.05 ( $0.009 < 0.05$ ), and it is stated that the second hypothesis is accepted.
3. Rewards have a significant effect on Marketing Performance in Tourism Industry SMEs; it is known that rewards have a T-Statistics value of 6.161 with a significance level of less than 0.05 ( $0.000 < 0.05$ ), then the third hypothesis is accepted.

To find out whether the independent variables simultaneously have an effect on the dependent variable or have no effect, the F test (F-test) is used, by comparing F-count and F-Table at a 5% significance level ( $= 0.05$ ) or comparison of significant F values. If  $F\text{-count} > F\text{-table}$  or  $\text{Sig.F value} < 0.05$ , it means  $H_0$  is rejected, otherwise  $F\text{count} < F\text{table}$  or  $\text{Sig.F value} > 0.05$  means  $H_0$  is accepted. Based on the results of the analysis, the results of the F test can be presented in the following Table 3.

**Table 3. Simultaneous Test**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	90.573	3	30,065	56,126	,000b
Residual	49,539	96	,518		
Total	140,112	99			

The results from table 2 show that all indicators that meet the outer loading value are  $> 0.7$ . Apart from the reliability value of the other model

measurement indicators, it is by looking at the Composite Reliability value with the results of all variables having a value greater than the cut-off value, which is greater than 0.7. The Average Variance Extracted (AVE) value is more significant than 0.5 or higher. The results of the discriminant validity test are seen from the value of Cross loading and the Fornell Larcker Criterion. The results of the analysis show a value greater than 0.7. This means that the discriminant validity test meets the specified cut-off value. It is concluded that all assessments of the estimates indicate or show that the external has met the desired value limits so that it can continue to check information in the implementation of 2, in particular, the assessment of internal performances and theory testing. The emergence of the second order of testing or bootstrapping testing is illustrated in the retrieval table as follows in Table 4.

**Table 4. Standard Coefficient of Beta**

<b>Variable</b>	<b>Standardized Coefficient Beta</b>
Individual Performance	0.392
Innovation Culture	0.481
Rewards	0.271

Based on the results obtained, it can be concluded that the individual performance variables, innovation culture, and rewards have a simultaneous influence on marketing performance in Tourism Industry SMEs with a significance level of  $F < 0.05$  ( $0.000b < 0.05$ ), the hypothesis 4 is accepted.

As for knowing the magnitude of the influence of the independent variable on the dependent variable can be seen from the comparison of the regression coefficients of each variable; using the standardized coefficient beta can eliminate the difference in the unit of measure on the independent variables consisting of product design, promotion, and service quality variables. 4.

Based on the results of the regression coefficients, each innovation culture variable has a dominant influence on marketing performance in the Tourism Industry SMEs; this is because the Standardized Coefficients Beta on this variable has the most significant value when compared to the individual performance variable and the reward variable.

## **Conclusions**

Based on the results of hypothesis testing and discussion, it can be concluded that: 1) Individual Performance has a significant effect on Marketing Performance in Tourism Industry SMEs; 2) Innovation Culture has a significant effect on Marketing Performance in Tourism Industry SMEs; 3) Rewards have a significant effect on Marketing Performance in Tourism Industry SMEs; 4) Individual Performance, Innovation Culture, and Rewards have a simultaneous

effect on Marketing Performance in Tourism Industry SMEs; 5) Innovation Culture has the most dominant influence on Marketing Performance in Tourism Industry SMEs compared to Individual Performance, and Rewards.

Based on the conclusions above, some suggestions are expected to be beneficial for other parties, especially the tourism industry, as follows: a) It is hoped that the tourism industry SMEs can maintain and continually improve aspects of individual performance, the culture of innovation, and rewards to increase competitive advantage; b) It is hoped that the following research will add independent variables so that the results obtained are more varied.

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