



Chapter 8

Revolution 4.0 as a Momentum for Human Resource Management Towards Era 5.0

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ABSTRACT

Indonesia has entered the digitalization century by entering the era of the Industrial Revolution 4.0, as a revolution marked by a technological revolution that brought many changes and various impacts. Various problems have also arisen due to the COVID-19 outbreak, wars between countries, global economic recession, sales, purchases, and marketing, which are getting worse at the moment. So that human resources are the key to the success of a business such as SMEs, a strategy is needed to improve the quality of human resources. Given the importance of improving human resources to become superior, competent, qualified, and competitive. Era 4.0 requires various strategies to improve the quality of human resources to welcome Era 5.0; several strategies can be pursued such as providing motivation, increasing competence, skills certification, best practice, shows, events, and exhibitions in the development of SMEs.

INTRODUCTION

Small and Medium Enterprises have an important role in the economic development of a country. UKM is defined as a business carried out by individuals or business entities and not subsidiaries or branches that are owned, controlled, or part of a medium or large business and certain criteria. Bappenas stated that SMEs have a sizeable role for the Indonesian economy including: expanding employment opportunities and absorbing labor, forming Gross Domestic Product, providing safety nets, especially for low-income communities in order to carry out productive economic activities.

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Revolution 4.0 as a Momentum for Human Resource Management

Indonesia has entered the era of the industrial revolution 4.0, which is a revolution that has fundamentally changed the way of life, work and relationships with one another. The industrial revolution is marked by the emergence of technological updates which will bring many changes and risks that may arise, one of which is increased unemployment (Ridwan Aji Pitoko, Aprillia Ika, ed, 2018). Human Resources are the main key in entering the industrial revolution 4.0. Improving the quality of human resources is very important, especially because Indonesian human resources are still lacking in utilizing the latest technology. Technological sophistication in the business world needs to be addressed carefully and on target. Because of that it is important to prepare Human Resources competencies so that they are qualified, creative and innovative.

Innovation is inseparable from business life because innovation is the soul of a company to develop, innovation can develop anywhere and be carried out by anyone, innovation is not only carried out by large companies, but for the sake of the continuity of their business, even small companies need to innovate (Dwanto, 2014).). According to Kotler and Keller (2009) define innovation as new products, services, ideas, and opinions from someone. Innovation is products and services that are perceived by consumers as new products and services. Innovation can also be defined as a breakthrough related to new products. This is supported by research conducted by Indra Yanti Sari (2016) which shows that product innovation has a positive effect on the performance of SMEs. Apart from product innovation, the successful performance of SMEs must also be supported by access to the right marketing.

Business actors play an important role in business development and decision-making processes. The obstacle faced by business actors is that the recruitment of existing employees still follows conventional culture, namely traditional methods that are no longer in accordance with today's conditions (Shuman and Seeger 1986; O'Farrell and Hitchens 1988; Wiklund 1998a, 1998b). Likewise, employee recruitment is carried out by selecting workers who have skills that are in accordance with the business being carried out. Besides being skilled, employees must also be creative, dare to take risks, and be innovative. Suryana (2011) revealed that creativity is the ability to develop ideas and new ways of solving problems and finding opportunities (thinking new things). Meanwhile, innovation is the ability to apply creativity in order to solve problems and find opportunities (doing new things). SMEs can increase their business by increasing creativity and entrepreneurial innovation so that companies are not eliminated from market competition.

One of the industrial sectors that has been able to survive in the era of the industrial revolution 4.0 is the creative industry sector, creative industries including small industries that are able to provide entrepreneurial resources and broad employment opportunities and are able to become the driving force of the economy (Hu, W., M. 2010). According to the creative industry management agency 'Bekraf' (Creative Economy Agency), the creative industry is able to contribute IDR 990.4 trillion or 7.44% of the gross domestic product (GDP). However, the government faces several obstacles in increasing the contribution of creative industries to the economy and employment opportunities. Based on data from BPS and Bekraf in 2017, obstacles were found, including 92.37% of creative industry activities carried out with their own capital (self-funded), 88.95% did not have intellectual property rights. In addition, the marketing of creative industry products is still concentrated on the local market, which accounts for 97.36% (mediaindonesia.com, accessed 29.09.2019).

The creative industry can create a positive business climate and support the use of renewable resources, is a center for creating innovation and fostering creativity, and has a positive social impact. One part of the creative industry is the batik industry. The characteristics of the batik industry include competition

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