



International Collaboration Community Service Indonesia Banking School - Khon Kaen Business School: SIMPPRO to Improve Productivity Level of SMEs in Indramayu, West Java, Indonesia

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ABSTRACT

Productivity is the most powerful driving force for a country's economic growth and business growth at the company level. Through international collaboration, community service activities were carried out by Indonesia Banking School, Jakarta, Indonesia, and Khon Kaen Business School, Khon Kaen, Thailand in educating in terms of assessing productivity improvement using SIMPPRO (Productivity Improvement Management System). The implementation was carried out within the Manpower Office of Indramayu Regency, West Java to realize a productivity improvement program. Participants were attended by 17 representatives from MSMEs, LPK, and other companies and 6 representatives from employees of the Indramayu Regency Manpower Office. The method of implementation is carried out in the form of training. The results of the evaluation of activities based on participants' answers through questionnaires, amounting to 93.68% on average gave Good and Very Good ratings.

INTRODUCTION

Productivity is a mental attitude and work ethic that always strives to improve the quality of life through increasing efficiency, effectiveness, and quality to create added value in a sustainable manner (Presidential Regulation of the Republic of Indonesia Number I of 2023 concerning National Productivity Institutions, 2023). Productivity is a major factor in determining economic growth, social welfare, and living standards. It can simply be described as the total output (i.e. products and services) that can be produced with a particular input (i.e. labor, capital, resources) (Items *et al.*, 2022). Productivity is the most powerful driving force for a country's economic growth and business growth at the company level (Pedauga *et al.*, 2022). High economic growth and businesses that grow and develop quickly become a source of job creation and at the same time a source of increasing welfare for the community or workers and their families (Rimadias, 2023). In global competition, productivity is a determining and key factor of national competitiveness (at the macro level) and corporate competitiveness (at the micro level). Productivity relies on 3 (three) basic sciences, namely economics which reduces aspects of efficiency, management science which decreases aspects of effectiveness, and industrial engineering which reduces aspects of added value (value added) which is then called quality (quality).

In global competition, productivity is a determining and key factor of national competitiveness (at the macro level) and corporate competitiveness (at the micro level). Productivity is understood as a mental attitude that views tomorrow must be better than today and today must be better than yesterday. (Douw *et al.*, 2021) explain that productivity is the effective and efficient use of resources (inputs) to produce or increase the results (output) of goods and services. To increase the work productivity of employees, every company must pay attention to the factors that affect work productivity (Wirawan *et al.*, 2019). Increasing productivity is able to support economic growth, employment, and improving community welfare (Surya *et al.*, 2021). Employees are said to be productive if they are able to produce goods and services in accordance with predetermined targets in a short and appropriate period of time. Productivity increases, then the level of efficiency (labor, time, and raw materials), production techniques, work systems, and labor skills will also increase (Mukti & Asmaroni, 2020). Employee work productivity is a benchmark for every company in carrying out its business activities both in terms of quality and quantity of products (Rimadias *et al.*, 2023). As is the case in today's trade competition where companies must strive for the quality and welfare of employees who are the competitiveness of other companies. Companies not only have large capital to achieve their goals but companies need to pay attention to other production factors including nature, labor, and expertise where these factors cannot stand alone but must support each other to achieve goals effectively and efficiently (Wirawan *et al.*, 2019).

The quality of human resources in Indonesia is still a major problem in increasing labor productivity in Indonesia (Baharin *et al.*, 2020). The mentality and motivation of business actors will certainly have an impact on business progress (Ferli *et al.*, 2023). However, there are indications that business actors in Indonesia do not have long-term growth goals (Ferli, 2023). Based on these problems, it is necessary for the government's role in efforts to increase Indonesia's productivity and competitiveness through a Productivity Improvement Management System (SIMPPRO). SIMPPRO is a management system in the company in order to increase productivity and economic growth as well as competitiveness globally. SIMPPRO is part of the management system in the company as a whole in order to increase productivity related to work activities effectively, efficiently, and with quality (Decree of the Minister of Manpower of the Republic of Indonesia Number 156 of 2021 concerning Productivity Improvement Management System on November 17, 2021).



Figure 1. SIMPPRO Measurement Framework

The objective of the implementation of SIMPPRO is to realize effective, efficient, and quality company management; in order to realize increased productivity in the company in order to increase national competitiveness; and the implementation of an open, measurable, traceable, and objective Productivity Improvement Management System Measurement. SIMPPRO is carried out using the System Audit method using 7 (seven) elements, 52 (fifty-two) sub-elements, and 200 (two hundred) question criteria. The 7 elements consist of:

1. Leadership;
2. Strategic Planning;
3. Focus on Human Resource Development and Management;
4. Customer and Market Focus;
5. Data, Information and Analysis;
6. Process Management;
7. Business Result

IMPLEMENTATION AND METHODS

Implementation of Activities

This activity is intended to encourage, assist, and support the successful implementation of SIMPPRO, especially among MSMEs (Micro, Small, and Medium Enterprises), Job Training Centers, and other companies within the Manpower Office of Indramayu Regency, West Java in to realize productivity improvement programs. This activity was carried out at the Indramayu Regency Manpower Office, Jl. Gatot Subroto No. 01, Indramayu, West Java, on December 20, 2023. Attended by lecturers of S1 Management, S1 Accounting, S1 Financial Management and Sharia Banking, and S2 Master of Management STIE IBS. Officials and staff in the Indramayu Regency Disnaker, 7 (seven) LPK (Work Education Institutions), 2 (two) MSMEs, 2 (two) LP3I (Indonesian Education and Professional Development Institutions), and 4 (four) companies. Activity Theme: International Collaboration Community Service Indonesia Banking School - Khon Kaen Business School - Department of Manpower and Transmigration (DISNAKER) Indramayu Regency: "Introducing of SIMPPRO (Productivity Improvement Management System) to Improve Productivity Level of SMEs In Indramayu, West Java, Indonesia". The implementation steps consist of delivering session 1 material about the SIMPPRO, delivering session 2 material about SIMPPRO question list (200 questions), discussion and question and answer, and activity evaluation.

Activity Methods

The method of activities uses a qualitative approach, where this activity is intended to help micro, small, medium enterprises, and other large companies, to increase understanding to realize a better level of productivity. In this activity, presentations were made by 3 (three) resource persons who have competence in the field of productivity. The implementation of activities is also carried out educatively using discussions, questions, and answers delivered and answered directly by the speakers who in this case are S1 and S2 Lecturers of STIE Indonesia Banking School (STIE IBS).

Execution Procedure

The implementation was carried out within the Manpower Office of Indramayu Regency, West Java to realize a productivity improvement program. Participants were attended by 17 representatives from MSMEs, LPK, and other companies and 6 representatives from employees of the Indramayu Regency Manpower Office. Table 1 lists the targets to be achieved in community service activities.

Table 1. Target of Achieving Community Service Output

No.	Indicators	Achievement Targets
1.	Participants	All participants participated in the event in full from the beginning to the end of the implementation.
2.	Participant participation rate	At least 50% of participants actively participate in discussions, events take place.
3.	The results of the activity evaluation are based on the answers of trainees through questionnaires.	The average results of activity evaluation based on participants' answers through questionnaires gave Good and Very Good ratings of more than 70%.

Source: Author (2024)

RESULTS AND DISCUSSION

Training Implementation

In this P3M STIE IBS activity, it is expected that there is an understanding to realize quality and quantity at an effective and efficient level of productivity. Increased productivity is a result expected by the entire organization. So that the main expectation of this activity is the most basic understanding for participants to carry out the productivity measurement process using SIMPPRO. With educational activities about SIMPPRO, participants understand the SIMPPRO measurement method using 7 (seven) elements, 52 (fifty-two) sub-elements, and 200 (two hundred) question criteria. Where the SIMPPRO measurement is carried out in stages at the provincial and national levels. The stages that must be passed by each company begin at the SIMPPRO audit stage (self-assessment), SIMPPRO Audit by the Audit Institute which is carried out through verification, validation, and deepening of the company's self-assessment and the verification stage by the verification team of the SIMPPRO Audit results by the Audit Institute.

Measurement criteria are carried out based on 3 (three) company criteria, namely: Small companies consist of 116 (one hundred sixteen) criteria; Medium companies consist of 168 (one hundred sixty-eight) criteria and large companies consist of 200 (two hundred) criteria. The level of achievement of SIMPPRO application based on measurement criteria is categorized as: The level of measurement is **UNDERDEVELOPED** at the level of achievement of application 0% - 59%; The measurement rate is **DEVELOPING** at the level of achievement of application 60% - 84%; and The level of measurement is **SUPERIOR** at the level of achievement of application 85% - 100%. The level of achievement of SIMPPRO implementation based on findings consists of (1) **MINOR category**, in the event that the company has inconsistencies in meeting requirements and standards, and does not refer to the guidelines and provisions of laws and regulations; (2) **CRITICAL category**, in the event that the Company has findings that show that

the company has data on lack of material supply, does not have sufficient human resources for business sustainability, does not have equipment and machinery to support the production process, tends to experience negative growth from the achievement of operating results; (3) **MAJOR category**, in the event that the Company is not in compliance with the law; Not implementing any of SIMPPRO's principles; and There are minor findings for one SIMPPRO audit criterion in multiple locations.

The results of the assessment of SIMPPRO audit criteria by: (1) the Major category must be followed up with corrective actions no later than within 1 (one) month. (2) The Critical Category must be followed up with corrective action no later than within 1 (month) month. In the event that the Company is included in the *Critical Category* or *Major Category*, the Company is considered unsuccessful in implementing the Productivity Improvement Management System - SIMPPRO, so the Company cannot determine the level of achievement of implementing the Productivity Improvement Management System (measurement level of underdeveloped implementation, measurement level of developing implementation, or measurement level of superior application). Here are the principles of performance audit appraisal:



Figure 2. Performance Audit Appraisal Principles

Evaluation Results

Based on the evaluation results, participants appreciated this SIMPPRO training activity and it was very useful for participants. Participants expect to continue to be given information about SIMPPRO to MSME actors, LPK BLKLN. and companies in Indonesia. In addition, more training like this is done so that all entrepreneurs can increase their productivity for the better. The results of the evaluation based on the questionnaire as a whole participants stated that 100% of the information provided was in accordance with the wishes of the participants. Overall, the average participant gave a Good and Excellent score of 93.68%. Participants hope that cooperation related to productivity training can be established with the local Disnaker, give appreciation for SIMPPRO training activities, feel the benefits for MSMEs, LPK, and other companies so that information related to SIMPPRO needs to be improved, and hope that more training will be carried out so that MSME entrepreneurs, LPK and other companies will be better.



Figure 3. Implementation of International Collaboration on Community Service Indonesia Banking School – Khon Kaen Business School



Figure 4. Implementation of International Collaboration on Community Service Indonesia Banking School – Khon Kaen Business School



Figure 5. Implementation of International Collaboration on Community Service Indonesia Banking School – Khon Kaen Business School



Figure 6. Implementation of International Collaboration on Community Service Indonesia Banking School – Khon Kaen Business School

The implementation of community service carried out within the Manpower Office of Indramayu Regency, West Java to realize a productivity improvement program was attended by 17 representatives from MSMEs, LPK, and other companies and 6 representatives from employees of the Indramayu Regency Manpower Office. The results of the evaluation of the implementation of community service are described in Table 2.

Table 2. Evaluation of Target of Achieving Community Service Output

No.	Indicator	Achievement Targets	Results
1.	Participants	All participants participated in the event in full from the beginning to the end of the implementation.	100% (Achieved)
2.	Participant participation rate	At least 50% of participants actively participate in discussions, events take place.	80% (Achieved)
3.	The results of the activity evaluation are based on the answers of trainees through questionnaires.	The average results of activity evaluation based on participants' answers through questionnaires gave Good and Very Good ratings of more than 70%.	93,68% (Achieved)

Source: Author (2024)

CONCLUSIONS AND RECOMMENDATIONS

STIE IBS Community Service education activities regarding the implementation of the SIMPPRO Productivity assessment are very important to be carried out by MSMEs (Micro, Small, and Medium Enterprises), LPK BLKLN (Job Training Institute for Foreign Job Training Center), and large companies. The implementation of this assessment is expected to be able to provide information on MSMEs, LPK BLKLN, and other companies included in which category the company is assessed. This is important to do in the company's efforts to achieve a SUPERIOR level so that it can increase productivity which will also have an impact on company performance. Improving the company's performance will have a positive influence on the company's business continuity.

The implementation of the assessment should emphasize the elements relevant to the company's business activities. Participants are expected to understand and apply the implementation of productivity level assessment with SIMPPRO. The Company should have an internal auditor who can assist in the implementation of the SIMPPRO assessment. The achievement of the UNGGUL level is inseparable from the company's obedience and discipline in implementing the regulations on productivity that have been issued by the Ministry of Manpower of the Republic of Indonesia. Community Service activities need to be increased by increasing the number of areas that need to be carried out educational activities, so that more MSMEs, LPS, etc. understand and carry out assessments for increasing productivity using SIMPPRO.

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