

Implementation Malcom Baldrige for Business MSME Sandals in Wedoro Village

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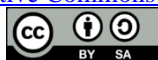
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ABSTRACT

The purpose of this study is to determine the application of Malcom Baldrige to sandals MSME business in Wedoro village. The method used in this research is a qualitative method based on a phenomenal approach, and is research based on subjective experiences experienced by individuals and logical phenomena. Malcolm Baldrige is a way to comprehensively improve an organization's performance by providing feedback on the organization's overall performance in delivering quality products and services. Malcom Baldrige has criteria (Leadership, Strategic Planning, Customer Focus, Measurement, Analytics, Knowledge Management, Employee Focus, Operations and Performance Focus). In this case, leadership is critical to achieving these seven criteria, as demonstrated by Malcolm Baldrige is top score in his performance evaluation. However, it is not yet clear how Malcolm Baldrige's other six criteria influence leadership. This study is based on the results of interviews and surveys conducted in one of his Sandal MSME is in Wedoro village.

Keywords: Human Resources Management, Malcom Baldrige, Performance Employee, MSME.

INTRODUCTION

Human resource management is very important to deal with various problems of working people such as employees and managers, to support the activities and sustainability of organizations and companies, and to achieve corporate goals and progress. Therefore, companies and organizations can ensure that they have qualified and competent human resources in a highly conducive working environment, that they have good skills to complete their tasks effectively and efficiently, and that the company can achieve its goals. In order to manage human resources, the role of managers is very important. Their Goals The overall goals that a company pursues moving forward.

Malcolm Baldrige Criteria for Performance Excellence (MBCfPE) is a performance measurement method used to achieve organizational goals, which can improve production quality and increase the organization's competitiveness (Jayamahe Susanto et al, 2023). Derry Fitriani Putri and Harsono Taroepatjeka (2015) assume that implementing Malcolm Baldrige is a way to overcome her MSME's problems and improve employee and company performance. The Malcolm Baldrige method is a commonly used method for evaluating the performance of companies and organizations (Jayamahe Susanto et al, 2023). Some of Malcolm Baldrige's categories that you can use to improve your company's performance value are: The first can be called leadership or leadership techniques. The second is strategic planning or strategic planning methods, and the third is consumer focus. Customer, fourth is performance measurement by measuring performance, fifth is people orientation or employee focus, sixth is management process or management process, and last or seventh is results or end results.

Employee performance is an important aspect to consider within an organization as employee performance is seen as the level of success for a company to achieve its desired goals. When looking at the results of employees' work, managers obviously need to monitor the performance of all employees in the company, so managers need to re-examine the performance of their employees. According Dessler in (Sg Naiboho dkk., 2021) employee performance is determined by job performance and it is

important to actually look at the comparison between job performance based on the work standards set by the organization or company. Next, Robbins in (Sg Naiboho dkk., 2021) defines performance as the result or achievement of an employee's successful performance of a job. This means that employees must pay attention to the quality of their performance to meet the company's standards.

Micro, small and medium enterprises (MSME) are very large enterprises in Indonesia, and currently, MSMEs have an important role in influencing the country's economy. MSME is an alternative means of employment generation. Furthermore, MSME is also important role in improving the national economy and contributing to national income. Although MSME have a significant impact on increasing the country's income and economy, MSME in Indonesia still face various obstacles and obstacles. Naiboho, Syafri, and Taufik (2021) assume that there are various barriers for his MSMEs in Indonesia. These obstacles take the form of limited amounts and sources of capital, limited access to technology, and limited access to markets.

Literature Review

Human Resources Management

Human resource management is based on the concept that all employees are human beings and that they can influence the ongoing process of resource utilization within a company. It has been stated that some studies on human resource management combine several scientific disciplines such as psychology, sociology, etc. According to Irawan (2021), HRM is concerned with the implementation of planning systems, employee preparation, employee development, career management, performance appraisal, employee compensation, and good working relations with employees. When making decisions, human resource management has a direct impact on organizational performance. According to Irawan (2021), HRM is necessary to adjust the effectiveness and align the human resources strategy concept within the organization. The purpose is to effectively improve organizational performance. According to Irawan (2021) to achieve this goal managers need to evaluate how the company can improve the quality of employee performance, train them and generate optimal resources. Irawan (2021) states that human resource management has great potential if there are driving and supporting factors within the organization. In this activity, Agung Prihantoro (2012) assumes that properly hired managers ensure a harmonious working environment within the company. Agung Prihantoro (2012) believes that it is undeniable that very rapid technological change has the potential to transform the management of businesses and organizations. This means improvement and development of the enterprise, so that the organization can adapt to the times and technological developments.

Malcolm Baldrige National Quality Award

Malcolm Baldrige National Quality Award The Malcolm Baldrige Criteria for Performance Excellence evaluates overall and ongoing organizational performance through the use of measurement techniques and the provision of comprehensive feedback on organizational performance in delivering quality products and services. This is a way to improve. The Malcolm Baldrige National Quality Award is an award given to employees who have demonstrated outstanding performance for their company. This award is typically given by an organization in the United States. However, in this article, we will discuss the assessment, also known as the Baldrige assessment, in detail. Baldrige assessment is one of the tools to comprehensively improve an organization's performance by implementing measurement techniques and providing feedback on the organization's performance in delivering quality products and services. Malcolm Baldrige Criteria for Performance Excellence or Baldrige Criteria are important aspects for organizations to achieve high quality performance. There are seven criteria. Strategic planning; customer focus. Measurement, analysis and knowledge management. Concentrate on work. process management. and results (Baldrige Customer Service, 2016). Malcolm Baldrige Criteria are also used to solve problems in determining the value of a company's performance, the company's position in the stock market, the competitive advantages and disadvantages of a company, and to

determine the optimal priorities (Jayamahe Susanto et al, 2023). On the other hand, Mr. Purbosani in (Jayamahe Susanto et al, 2023) believes that Malcolm Baldrige standards have been introduced as a quality development tool in strategic management based on favorable internal and external corporate conditions. Kosim in (Jayamahe Susanto et al, 2023) believes that the application of the Malcolm Baldrige standards is not only relevant to business needs, but also to the education sector. There are seven categories assessed in the Baldrige Assessment, namely:

1. Leadership includes senior leaders and social responsibility governance
2. Strategic planning includes the Strategy Development and Strategy Implementation Process
3. Customer Focus includes Customer Voice and Customer Engagement
4. Measurement, Analysis, Knowledge Management includes Measurement, Analysis and Organizational Performance and Information Technology, Knowledge and Information Management
5. Workforce Focus includes Workforce Environment and Workforce Engagement
6. Operations Focus includes Performance Systems and Performance Processes
7. Results include Health Services and Processes, Results, Customer Focused Results, Workforce Focused Results, Leadership and Governance Results and Financial and Market Results

Employee Performance

Employee performance is one of the important aspects that every organization must pay attention to. Because good employee performance can bring good development to the organization in achieving its goals (Rasid Pora, 2020). According to (Emi Murniasih, 2016), to improve performance, managers and employees are some important pillars for the development of the company. This is also based on a change in political direction in companies, which is also related to government policy (Ronald P.C. Fanggidae, 2015). Managers should encourage employees who play important roles, especially those with high spirituality and dedication to the company (Rasid Pora, 2020). Rasid Pora (2020) said that employee performance plays a very important role as employees need to perform well at work while performing these activities. This also plays an important role in performance, so employees have high motivation to improve their work performance. Rewarding is a way for a company to recognize and achieve good and satisfactory work performance. This is a way for the company to express its gratitude to its employees for allowing them to perform optimally for the company. In this case, the distribution of bonuses is not significantly different from the company's compensation, but the contribution that the employee receives for the timely delivery of the results of his work. Managers can participate in this program and employees who perform well can receive rewards from the company or organization. This compensation allows us to retain employees who have made significant contributions to the company.

MSME (Micro, Small and Medium Enterprises)

In the provisions of Law no. 9 of 1995 concerning small businesses and then implemented further with Government Regulation Number 44 of 1997 concerning partnerships, where the meaning of SMEs as regulated in Article 1 of Law Number 9 of 1995 is as follows:

- 1) Small businesses are people's economic activities that are small scale and meet the criteria for net worth or annual sales proceeds and ownership as regulated in this law.
- 2) Medium and Large Businesses are economic activities that have criteria for net assets or annual sales results that are greater than the net assets and annual sales results of small businesses.

Medium Enterprises are productive economic enterprises that stand alone, which are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part either directly or indirectly with Small Businesses or Large Businesses with total net assets or annual sales proceeds as regulated in this Law. Based on the definition above, in essence, Micro, Small and Medium Enterprises are a form of productive economic enterprise carried out by individuals or individual business entities that meet the criteria for Micro, Small and Medium

Enterprises.

According to Suyadi, Syahdanur, and Suryani (2017) MSMEs are a form of trade organization in Indonesia which has an important role in improving the regional and Indonesian economy. This is also supported by the fact that MSMEs are able to increase economic income and also reduce the poverty rate in Indonesia. Not only in a few cities, the role of MSMEs for Sidoarjo Regency is also very important, because these MSMEs are a mainstay and important pillar for the government to deal with the recession and the Covid-19 pandemic outbreak from 2019 to 2021. According to (Jayamahe Susanto et al, 2023) there are several problems regarding human resource management faced by MSMEs, these problems are the recruitment process in finding suitable employees, determining employment rules (rules for retaining and dismissing employees), binding employees (job engagement), developing employee competence, determining rewards and punishments, as well as dealing with various types of employee characters. Related to this, MSME sandals in Wedoro Village, Sidoarjo need to pay attention to the performance of their employees and the performance of these MSMEs by identifying what factors can influence the performance of these MSMEs through the Malcolm Baldrige Criteria for Performance Excellence (MBCfPE) category approach.

RESEARCH METHODS

Definition Operational

This study is a qualitative study in the sense of library research using data sources in the form of bibliographies and scientific journal articles. Managing the information obtained requires discussion with teammates and good problem-solving skills. A qualitative study was conducted using a phenomenological approach. Phenomenology focuses on how people experience particular phenomena. This means that a person does not experience something by experience, but by the phenomena that occur in his life. Researchers want to clearly describe the object of study through the phenomena experienced by relevant informants. The phenomena described are based on real-life situations and therefore can give a naturalistic impression according to the definition of phenomenology. Additionally, by using qualitative methods, the data obtained will be more complete, detailed, and reliable, making the information more comprehensive and meaningful. Therefore, even if the researcher stays in the field or research object during the research, or leaves the research field, the situation is such that the state of the research object is preserved and does not change. This study is based on the objective of providing a clearer and more detailed explanation of the phenomena existing in MSME Researchers conduct research by going directly to research sites, describing and illustrating existing realities, and approaching sources. Therefore, it is expected that the data obtained are optimal and consistent with the phenomena experienced by the informants.

Research Subjects and Objects

In research, research subject data is very important to explain because it describes the research that will be studied. The subject of this MSME research is Mr Sukir. Then the object of this research is Mr. Sukir's Sandal UMKM in Wedoro Village.

Research time

Meanwhile, the design of this research is cross sectional because the research was carried out at one time so the picture obtained is the situation at that time. The data taken in this research is based, among other things, on the results of direct interview studies. Data for this research were taken at 14.00 on Saturday 28 October 2023, in Wedoro Village, Sidoarjo, East Java Province.

Data Collection Technique

Research using the phenomenal approach uses data collection methods that focus on in-depth interviews and narratives as the main steps to create descriptions and representations of experiences experienced in life. To obtain a data source that is valid, accurate, reliable, complete, and detailed, and whose authenticity is guaranteed, the researcher must rely on the help of others and the key instruments and tools of this study. It is necessary to go directly to the research site. Sugiyono (2013) states that qualitative research involves ensuring focus, finding informants to be the source of data collection, collecting data through documentation and observation, checking the quality of data, and reviewing the data obtained. It is described as part of the human tool that has the ability to analyze describe the results of the data analysis, and draw a conclusion or summary of the research findings. As one of the main instruments, researchers have important responsibilities in the research process, so their decisions have a significant impact on ongoing research (Sugiyono, 2010: 306).

RESEARCH RESULTS AND DISCUSSION

Research Strategy According Implemented Malcom Baldrige

This research strategy leverages the Malcolm Baldrige National Quality Award. The Malcolm Baldrige National Quality Award is an annual award given by the United States government (through the Department of Commerce) to for-profit and non-profit organizations in the United States that have demonstrated excellence and are recognized for achieving outstanding results is offered. The name Malcolm Baldrige itself is derived from the name of the former U.S. Secretary of Commerce who started the award's work. Since its inception in 1988, this annual award has made a significant contribution to improving the quality and performance of a variety of local businesses. Additionally, many countries in different parts of the world have adopted the Malcolm Baldrige Commission approach and criteria for assessing excellence. There are several seven criteria that they use, also known as Malcolm Baldrige's seven pillars. If these seven criteria of his are followed, they play a very important role in determining the progress and decline of organizations (both corporate and public organizations). Therefore, our group analyzed his MSME located near the area around Wedoro village, Sidoarjo city, where one of the group members' girlfriend was the subject of location evaluation. Therefore, our group conducted an analysis of these MSMEs by applying Malcolm Baldrige to these MSMEs and determining their performance using the following seven pillars or Malcolm Baldrige criteria:

1. The first pillar is Leadership. This criterion wants to see how leaders in your organization display their capacities: how they set the organization's vision and goals; and then communicate it to each member. Does a leader in this MSME have the skills to manage and inspire his subordinates to achieve performance excellence?
2. Second pillar: Strategic Planning. This criterion will look at how the strategy formulation process is established in your office environment. And what is no less important: does the strategy content appropriately respond to the dynamics of changes in the business environment?
3. Third pillar: Customer Focus. Are the products and services provided by your organization OK? Or is it just of mediocre quality? Are the products or services offered by your office always fresh and innovative; and make customers smile cheerfully? Or vice versa: always spreading unreliability and mediocre quality?
4. Fourth pillar: Performance Measurement. Does every leader in your place have clear and measurable key performance indicators (KPI)? And are key indicators always reviewed periodically to see progress and take corrective action (if targets are missed)? Performance management with clear indicators is one sign of the emergence of a strong performance-based culture in an organization.
5. Fifth pillar: People Focus. How much attention and commitment does your organization's management pay to developing the quality of its human resources? This element also wants to

see whether the organization has provided a fair and attractive reward scheme for all its members. Skyrocketing member contributions will only spread if an organization has a solid and consistent people focus policy.

6. Sixth pillar: Process Management. These criteria will measure how your office designs and manages key work processes? Has each process flow been designed to be lean and efficient? Or are there still many work processes that are too bureaucratic, not well coordinated with each other?
7. The seventh or final pillar: Result. The seventh pillar wants to see what the final results of the organization's performance are: is it more competitive, more effective and more shiny in the performance of all aspects of the organization?

Research That Happens in the Field

In this research, through the 7 pillars above, we can measure the level of performance of the MSMEs we studied. These 7 Pillars also help or provide feedback, if an MSME that we studied wants to carry out a management system overhaul process. The management system needs to be transformed into a more progressive direction. Which means, the 7 criteria above can be used as research analysis. The research we have conducted on these MSMEs:

1. The first pillar is Leadership. For this criterion, the MSME owner or Leader: lack of vision and progress in MSME sales because a Leader in this MSME lacks good diplomacy in managing and providing inspiration to his subordinates in achieving performance excellence. This is because the quality of the leadership spirit of an MSME owner is not yet able to compete with other MSMEs.
2. Second pillar: Strategic Planning. In this criterion, what we have seen based on our observations is that the strategic planning process carried out by MSMEs is very lacking in sales marketing strategies. Then the strategy carried out by MSMEs is just to wait when there are orders from factories and sandal owners. In terms of the business environment, this MSME's location is less strategic, even though this MSME is located on a very large area of land, it is in the interior.
3. Third pillar: Customer Focus. The services provided by MSMEs are very good. Offline service is quite good, but in terms of online marketing it needs to be improved further. Products or services originating from MSMEs are actually innovative; because the sandals that have been made have very durable quality, especially when exposed to water.
4. Fourth pillar: Performance Measurement. In measuring the abilities of their employees, this MSME does not use key performance indicators (KPI) as a measurement tool, so in this MSME, a leader or leaders can see the abilities of their employees by directly monitoring their employees. If the employee's targets do not match the Leader's wishes, the Leader will provide support and retraining to the employee. Then, for performance management, MSMEs should have a benchmark assessment of their employees' ability to create a strong performance-based culture in an organization.
5. Fifth pillar: People Focus. We have researched the attention and commitment of MSME management to developing the quality of their human resources. In fact, the employees already have a strong commitment, in this case the employees are also given rewards by the MSME owners in a fair and attractive manner. This reward is given by the Leader if the employee makes a good enough contribution to the MSMEs. Excellent contributions will increase job satisfaction of MSME employees in terms of teamwork and consistency.
6. Sixth pillar: Process Management. In this Criteria, our group has carried out research on MSMEs which we have researched for the production design which is actually quite interesting, however, there is still a lot of management process flow that needs to be improved or changed. The first is the process of coming into work which doesn't really look at time.

Management that is not well coordinated with each other. Example: there are several factories whose bills are still outstanding/unpaid for the production of sandals, but these MSMEs have errors, one of which is the lack of clear bookkeeping, then they already know that the factory has not paid off its debt to the MSMEs, but the MSMEs still send the ordered goods even though previous orders have not been paid for by the factory. This can cause conflict in the work environment. Many of the suggestions from our group were improved.

7. The seventh or final pillar: Result. In fact, these MSMEs have had better performance and can outperform their competitors, however, for the effectiveness of the management process, a lot of improvement needs to be done in the area of bookkeeping, especially when sending goods to factories that have not been paid for, they should be stagnated first. So that finances and capital can be rotated.

This research uses a qualitative method by clearly describing the research object through a phenomenon approach experienced by the relevant informants. The phenomena described are based on real and actual conditions so that they will be able to give a naturalistic impression according to the definition of phenomenology. In addition, by applying qualitative methods, the data obtained will be more complete, more in-depth, credible, the information will be broader and will be more meaningful. All fields or aspects of human life are referred to as objects of qualitative research.

Positive impact if these MSMEs apply the Malcom Baldrige method

1. If Malcom Baldrige is implemented in MSMEs, they will have very good management
2. Managers will improve their leadership spirit in managing employee performance
3. The income and expenditure of this MSME will be very clear because of the bookkeeping of this MSME
4. The schedule for work hours will be better and will be organized according to working hours in MSMEs

Negative impact if these MSMEs apply the Malcom Baldrige method

1. It still cannot be implemented, because this management still uses traditional processes or systems. A manager lacks knowledge in developing digital marketing. Another factor is that financial reports are not clear because a manager does not know the bookkeeping by the manager.
2. This MSME does not yet have a business permit from an official party or institution, only has a business permit from the village.

CONCLUSION

These MSMEs are very lacking in determining the vision and progress goals of a Leader regarding the progress of MSME sales. Marketing strategies in sales are still very traditional so they are less competitive with other MSMEs. In the current era, sales are increasingly using digital marketing and e-commerce, therefore MSMEs need to review and re-evaluate the shortcomings of these MSMEs. This method of measuring the performance capabilities of MSME employees does not use indicator tools to measure employee performance, but a Leader directly monitors the performance of his employees. Then for the management system, MSME management needs to be improved and developed further, especially in the field of bookkeeping, without providing records of how many goods were sent to the factory so that the factory delays payment time for these MSMEs.

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