

UDC 331

**STRATEGIC PLANNING OF HUMAN RESOURCES DEVELOPMENT: A STUDY
OF HUMAN RESOURCE DEVELOPMENT INDUSTRY AT EDUCATION AND TRAINING
CENTER OF THE MINISTRY OF INDUSTRY (INDONESIA)**

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ABSTRACT

This study explains the importance of strategic planning as an endeavor to improve industrial human resources welfare in Indonesia. In the midst of the demographic bonus problem, the implementation of the Asean economic community and several shortcomings in the current human resources, strategic planning becomes one of the endeavors to become potential and not a threat in improving industrial human resources welfare. This research method utilized descriptive qualitative approach aims to obtain data that contain meaning and depth. The focus of this study is based on Faludi's theory which presents a collaboration between procedural theory and substantive theory in shaping effective planning.

KEY WORDS

Strategic planning, industrial, human resource, development.

One of the key factors in efforts to improve the quality of human life is the creation of employment and human resources development (HR) or labor. With the creation of employment and skilled human resources development, efforts to improve the quality of human life will experience a breakthrough.

Indonesian Government effort to improve citizens' welfare will face trials and challenges in the not-too-distant future, demographic bonuses in 2019 are expected to reach 180 million people (Central Bureau of Statistics, 2012). The challenges come with the enforcement of the ASEAN Economic Community (MEA) enacted in early 2016 which will lead to free trade in goods, services, capital and investment products, as well as trained workers in ASEAN countries with no geographical restrictions. In addressing these two challenges, the Government must be careful in policy making in order to avoid backfire in the future. It will destroy not only the economic level but also the social aspects in the year 2020.

As one of the anticipated efforts, Indonesian Government established Government Regulation Number 14 Year 2015 on the National Industrial Development Master Plan 2015-2035 and Government Regulation No. 41 of 2015 on the Development of Industrial Resources to become the basis for human resource development especially in the Industrial field. The existing legal law must then be followed up with proper planning, therefore, every program and activity will support industrial human resource development.

This research is expected to provide more insight on human resource development planning, especially in the industrial field. In terms of planning, the result of this study is an academic document that discusses the planning of industrial human resource development at the Ministry of Industry Education and Training Center. The problems raised in this research are (1) How is the effort of Industrial Education and Training Center (*Pusdiklat Industri*) in human resource development; (2) What is the strategic planning of industrial HR development with substantive planning and procedural planning approach?

LITERATURE REVIEW

Strategic Planning. Faludi's Planning Theory (1973: 7) has categorized the planning into 2 (two), namely: Theory of Planning (theory of planning / procedural planning) and theory in planning / substantive planning. Procedural Theory is defined as an assumption to be able to interpret facts and experiences into a conception and plan. The procedural theory is

considered as a set of procedures in order to achieve goals determined in planning. Procedural theory and substantive theory have different concepts. But in practice and development, procedural theory and substantive theory cannot stand alone in responding to public problems. Nevertheless, it is expected that both will form a collaboration (in a box) that Faludi (1973: 7) referred to as effective planning.

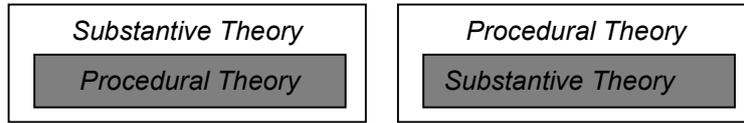


Figure 1 – Correlation between Procedural Theory and Substantive Theory

Analysis Theory. PEST's Plus Analysis is an analysis of external environmental factors covering the political, economic, social, technology, and environmental fields. (Ward and Peppard, 2002: 70). PEST's Plus analysis is used to identify macro environmental conditions in an organization. PEST's Plus analysis is a strategic tool to provide an understanding of market conditions, organization business position, organization potential and operational directions.

Scenario Planning. Lindgren and Bandhold (2003: 27) illustrate scenario planning as "scenario planning is the combination of scenario analysis for strategic objectives and strategic planning based on the outcome of the scenario phase".

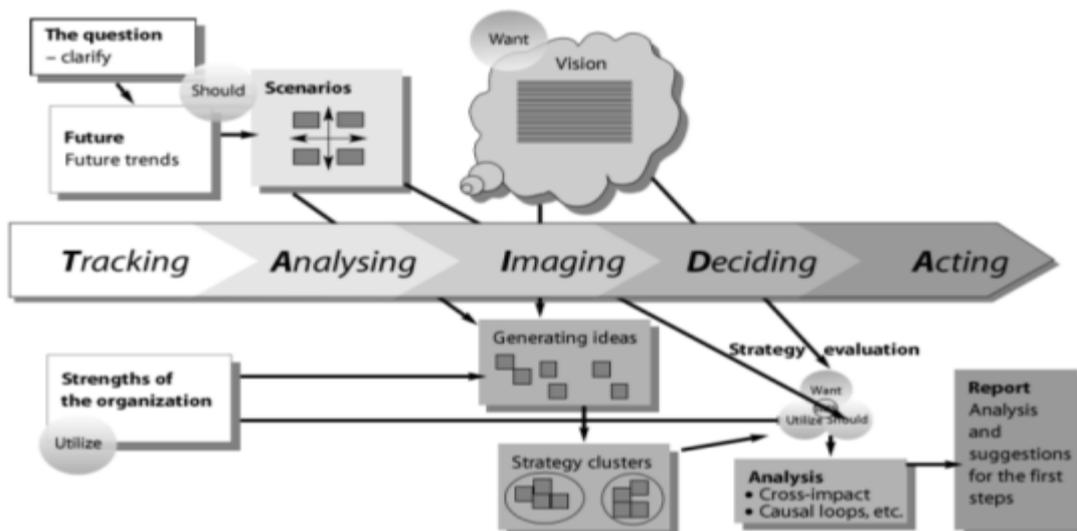


Figure 2 – TAIDA Method Analysis Process

Human Resource Development. McLean and McLean (2001) stated "Human resource development is any process or activity that, either initially or over the long term, has potential to develop adults work-based knowledge, expertise, productivity, and satisfaction, whether for personal or group/team gain, or for the benefit of an organization, community, nation or, ultimately, the whole of humanity".

METHODS OF RESEARCH

The focus of this research is the effort of Industrial Training Center (*Pusdiklat Industri*) in developing industrial human resources and strategic planning of industrial HR development using substantive planning and procedural planning. This research uses a qualitative approach. Qualitative methods are used to obtain in-depth data, which is a type of data that contains meaning (Sugiyono, 2015: 38). Research analysis utilized substantial planning approach PEST's Plus (Politic, Economic, Social, Technology, and Environment).

The analysis was conducted using procedural planning Tracking, Analyzing, Imaging, and Deciding method.

RESULTS AND DISCUSSION

National industrial development targets projections contained in the National Industrial Development Master Plan 2015-2035 (RIPIN 2014-2019) described that industrial human resources development is aimed at increasing the absorption of the industrial workforce by an average of 3.2 percent annually with an average increase in workforce absorption at 700.00 thousand annually. The projection is an optimistic analysis of the 180 million citizens demographic challenge in 2019 and MEA implementation in 2016. RIPIN projection faces the first obstacle in the form of limited employment. Based on BPS (2016), industrial sector possesses 15,540,234 jobs available. In addition to low quality of human resources, BPS (2016) stated that Indonesian human resources are currently dominated by low education (junior high school) at 60.24%, followed by secondary education (SMA / SMK) at 27.52% and Higher education graduates (diplomas/universities) at 12.24%. Furthermore, the open unemployment rate in Indonesia in August 2016 is 5.61 percent. It indicates that out of 100 human resources entering the workforce, there are 5 remain unemployed (BPS, 2016).

Following up on the potentials and issues, Industrial Education and Training Center in Ministry of Industry (2015) organized programs in accordance with RIPIN 2015-2035 and the National Medium-Term Development Plan 2014-2019 (RPJMN 2014-2019). These programs are the provision of industrial vocational education which produced 3,357 workforce, competency-based industry training that produces 17,832 workforce, the creation of 285 new entrepreneurs, the establishment of 27 Indonesian National Work Competency Standards, the establishment of 8 Professional Certification Bodies and Competency Test Venues, and the establishment of four industrial vocational institutions. These efforts need to be further improved, therefore strategic planning is very important to map the potential and the problems and projections to be achieved in the future.

Substantial planning using PEST's Plus analysis approach can be used to identify macro environmental conditions in an organization, which is described as follows:

Political. The regulatory framework becomes one of the important instruments in providing legal certainty and protection in the development of national industrial human resources. Currently, the absence of a roadmap for industrial human resources development and implementation rules from Government Regulation No. 41 of 2015 caused development effort to remain partial.

Economics. Program budgeting and Education Center activities are derived from the State Revenue and Expenditure Budget by dividing the budget amount following the priority or business core program of the Industrial Education and Training Center (*Pusdiklat Industri*) in accordance with the policy direction of industrial human resource development in 2015-2019.

Social. Labor absorption is the real target to be achieved by RIPIN 2015-2035 and RPJMN 2014-2019, however, it is still constrained by limited employment, low quality of human resources, high level of unemployment, and relatively low level of wage received by workers in the industry sector.

Technology. The rapidly evolving technological developments demand the industry compete with very high competency. On the other hand, the development of technology may decrease potential human resources, especially in the manufacturing industry (labor-intensive) with low skills. Increasingly sophisticated technology means that human labor is increasingly marginalized, given the efficiency and effectiveness of machinery in terms of higher production plus lower production costs compared to human labor.

Environment. The existence of teaching factory and laboratory in industrial vocations must consider AMDAL (Environmental impact assessment) and management of industrial environments such as waste, B3, and dirty water that must be integrated with the environment around the industry.

For more effective planning, substantial planning is integrated into procedural planning by utilizing scenario planning approach which is described as follows:

Tracking. Tracking was conducted by tracing and describing changes and signs of threats and benefits, while also recognizing the strengths and weaknesses.

Table 1 – Trend Tendency on Industrial Human Resources Development

Trend Variable (Trends)	Driving Forces
<i>Political</i> (Politic)	Road Map Human Resource Development Industry Commitment of Industrial Training Center through the program Regulation of industrial HR development Improved coordination among institutions related to competency standardization, module, and competency-based industry education curriculum Establishment of organization and human resources supervisor
<i>Economical</i> (Economy)	Budget availability in the Industrial Training Center Economic growth Reduction in the unemployment rate Growth of industries and businesses supporting human development
<i>Society</i> (Social)	Job creation Increasing the quality and quantity of industrial human resources Increasing community welfare Facilities and infrastructure for social activities
<i>Technological</i> (Technology)	Transparency of information systems Industrial automation HR as a complement to technological progress Support technology infrastructure
<i>Environmental</i> (Environment)	AMDAL Cooperation related to industrial waste management Facilities and infrastructure for the environment

Analyzing. Identify the driving forces and their impacts to understand how the interactions or relationships between trend conducted at the tracking stage.

Table 2 – Cross-impact Analysis on Industrial Human Resource Development

Trend Variable	Politic	Economy	Social	Environment	Technology	Total (Driver)
1. Politic		2	2	-1	-1	6
2. Economy	-2		-2	1	1	6
3. Social	-2	2		1	2	7
4. Environment	-2	-1	-1		-1	5
5. Technology	-2	-2	1	-1		6
Total (Dependence)	8	7	6	5	4	

Strongest Dependent

Strongest Driver

The cross-impact analysis obtained the strongest driver which is social trend variable with a value of 7. On the other hand, the strongest dependent is Political trend with a value of 8. Four scenarios were produced afterwards, which are described as follows:

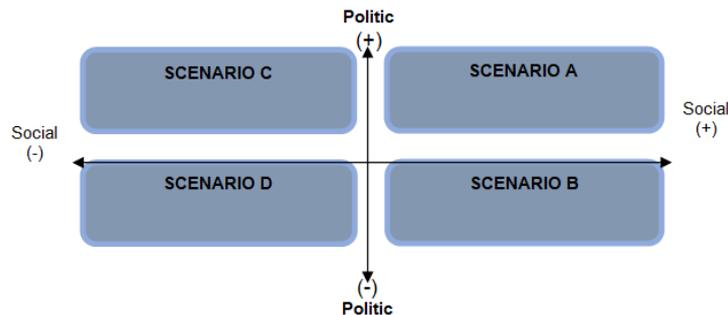


Figure 3 – Scenario-cross in Industrial Human Resource Development

Indonesia's current condition is most reflected in scenario C which describes influential support from the political aspect in the development of industrial human resources. Despite so, the social aspect is not fully supported. In the face of various obstacles in the development of industrial HR will run less effective but still can be resolved properly.

Imaging. The depiction is a description of the desired future by creating a vision which is described as follows:

"The realization of standardization on competent industrial human resources, globally competitive and possess entrepreneurial insight".

Deciding. Steps to decide or consider information, and identify options and strategies. This study describes five missions to support the established vision. It is described as follows:

To develop an integrated industrial HR development framework through the development of roadmap and regulatory framework supporting the development of industrial human resources;

Strengthening and deepening the standard system of national competence work of Indonesia by developing competence and standardization infrastructure;

Increasing the competence of industrial human resources by developing industrial vocation and competency-based industry training;

Build and strengthen the education and training system of industrial entrepreneurs.

Building employment network through cooperation with educational institutions and industrial companies.

The missions are then translated into a scenario that reflects Indonesia's current state of affairs:

Table 3 – Application of Strategy in Scenario Planning

SCENARIO	STRATEGY
Scenario C <i>Politic (+)</i> <i>Social (-)</i>	Improved effective coordination with related institutions, educational institutions, industry, and community related to the establishment of a legal framework and master plan of industrial human resource development. Improved quality of government program planning and budgeting that support the development of industrial human resources. Increased business incubator and industrial entrepreneur to boost employment. Facilitate training and certification of human resource competencies for industrial processes. Encourage knowledge transfer between industrial vocational institutions and competency-based industry training in Industrial Education and Training Center (<i>pusdiklat industri</i>) with other educational institutions in order to create the best human resource development climate. Socialization of industrial work competence standardization in educational institutions and industrial companies. Development of network and labor database on registered industrial companies and licensed industrial businesses to create a link and match conditions among educational graduates.

CONCLUSION

Industrial Education and Training Center (*Pusdiklat Industri*) has made a significant effort in the development of industrial human resources by adjusting its working program with RIPIN 2015-2035 and RPJMN 2015-2019. Nevertheless, improvements are required on the establishment of the legal framework in implementing a regulation which is mandated by Government Regulation No. 41 of 2015. Procedural Planning is more dominant in this study than substantial planning given the lack of social support in the development effort of industrial human resources, thus requiring top policy down to achieve RIPIN 2015-2035 and RPJMN 2015-2019 goals and maximize the potential of MEA and demographic bonuses.

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