IMPROVING THE COMPETITIVENESS OF MSMES THROUGH THE IMPLEMENTATION OF HUMAN RESOURCE MANAGEMENT INFORMATION SYSTEMS AND DIGITAL MARKETING STRATEGIES IN BANGGAI REGENCY, CENTRAL SULAWESI ISLANDS

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Abstract

This community service activity aims to improve the competitiveness of Micro, Small, and Medium Enterprises (MSMEs) through the implementation of a Human Resource Management Information System (SIM SDM) and digital marketing strategies in Banggai Kepulauan Regency, Central Sulawesi. The main problems faced by partner MSMEs include weak human resource management, low digital literacy, and limited market access due to the geographical conditions of the archipelago. This activity was carried out for one month in November 2025 using a participatory approach through training, mentoring, and direct practice. The activity methods included needs assessment, simple SIM SDM training, social media and marketplace-based digital marketing training, and implementation and evaluation assistance. The results of the activity showed an increase in understanding and skills of MSME actors in more structured HR management, increased utilization of digital platforms for marketing, and positive changes in business managerial and marketing practices. The synergy between strengthening internal management and digital marketing has been proven to improve operational efficiency and expand the market reach of MSMEs. This activity is expected to become a sustainable service model and can be replicated in other archipelago regions with similar characteristics to support the digital transformation of MSMEs.

Keywords: MSMEs, Human Resource Management Information Systems, Digital Marketing, Competitiveness.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in supporting regional and national economies, including in island regions such as Banggai Islands Regency, Central Sulawesi. MSMEs serve not only as job providers but also as driving forces for the local economy, based on the potential of natural resources and local wisdom. However, amidst increasingly competitive and digitalized markets, most MSMEs in island regions still face limitations in management, human resources, and the use of information technology (Rahman & Putri, 2022).

The main problem facing MSMEs in Banggai Kepulauan Regency lies in weak, informal human resource management. Many MSMEs lack an employee data recording system, a clear division of tasks, or a structured performance evaluation mechanism. This situation leads to low workforce productivity, difficulties in business development planning, and a high dependence on the business owner as the primary decision-maker. Effective human resource management is a key factor in increasing business competitiveness and sustainability (Abuhantash, 2023).

Implementing a Human Resource Management Information System (HRMS) is a strategic solution to address these challenges. HRMS enables MSMEs to systematically manage employee data, improve administrative efficiency, and support data-driven decision-making. Research shows that the use of HR information systems can improve organizational performance, transparency, and

business adaptability to changes in the business environment (Silvia, 2025). However, the adoption rate of HRMS among MSMEs in regional areas remains low due to limited digital literacy, minimal mentoring, and the perception that the system is only relevant for large companies.

Besides internal human resource aspects, other challenges faced by Banggai Kepulauan MSMEs include limited market access and marketing strategies. Their scattered geographic location and uneven transportation infrastructure make it difficult for MSME products to reach a wider market. On the other hand, the development of digital technology and increasing internet usage have opened up significant opportunities for MSMEs to market their products through digital platforms. Digital marketing enables MSMEs to reach consumers across regions at a relatively low cost, build brands, and enhance customer interactions (Nisa, 2024).

However, the use of digital marketing by MSMEs in the Banggai Islands remains limited and unplanned. Many business owners lack a solid understanding of content strategy, social media utilization, or optimal marketplace use. Research by Oktafianto (2024) confirms that without adequate knowledge and support, digital marketing will not significantly impact MSME sales growth. Therefore, ongoing training and support are urgently needed to enable MSMEs to effectively utilize digital technology.

Integrating the implementation of HR MIS and digital marketing strategies is a relevant approach to improving the overall competitiveness of MSMEs. HR MIS plays a role in strengthening the internal foundation of a business through more professional workforce management, while digital marketing expands market access and increases product sales value. The synergy between these two aspects is believed to be able to encourage MSMEs to move up a level, improve operational efficiency, and strengthen business sustainability amidst the dynamics of the digital economy (Santoso & Kurniawan, 2025).

Figure 1 Community Service Team

Various community service activities demonstrate that the integration of digitalization of internal management and technology-based marketing has a significant impact on improving the performance and competitiveness of MSMEs. Rahman and Putri (2022) demonstrated that information system-based managerial mentoring can improve work efficiency and administrative

order for MSMEs in underdeveloped areas. Furthermore, community service by Abuhantash (2023) confirmed that the implementation of an HR information system positively contributes to the productivity and quality of decision-making for small businesses. On the marketing side, Nisa (2024) demonstrated that digital marketing training based on social media and marketplaces significantly increased the market reach and sales volume of MSMEs. Similar findings were also presented by Santoso and Kurniawan (2025), who stated that the synergy between digitalization of HR management and digital marketing strategies can encourage MSMEs to move up a class and improve business sustainability in areas with limited market access. Therefore, community service activities that combine the implementation of HR MIS and digital marketing, as designed in this program, have a strong empirical basis and are relevant for implementation in Banggai Kepulauan Regency.

Based on these conditions, this community service program is designed to provide assistance to MSMEs in Banggai Kepulauan Regency through the implementation of a simple Human Resources Management System (SIM SDM) and contextual digital marketing strategy training. This activity is expected to improve the managerial capacity of MSMEs, encourage optimal use of information technology, and strengthen the long-term competitiveness of regional MSMEs. With an applicable approach based on local needs, this community service program is expected to have a tangible impact on improving the performance and sustainability of MSMEs in the archipelago.

Human Resource Management Information System (HRMI)

The Human Resource Management Information System (HRIS) confirms that the use of information technology in HR management can improve data accuracy, administrative efficiency, and the effectiveness of organizational decision-making. For MSMEs, HRIS serves as a tool to strengthen internal governance and develop workforce competencies. Recent research shows that HRIS adoption positively impacts operational performance and sustainability of small businesses (Bondarouk & Brewster, 2022; Marler & Parry, 2023).

Competitiveness of MSMEs

The competitiveness of MSMEs (Micro, Small, and Medium Enterprises) states that the competitive advantage of small businesses is built through a combination of internal capabilities, quality human resources, and the use of technology. MSMEs that are able to improve management efficiency and innovate in business processes will be more adaptive to changes in the external environment. Empirical studies show that digitalization and increased managerial capacity are the main determinants of MSME competitiveness in the digital economy era (OECD, 2021; Tambunan, 2022).

Digital Marketing

Digital marketing theory views digital technology as a strategic tool for creating value, building relationships with consumers, and expanding market reach. For MSMEs, digital marketing enables cost-effective promotion and increased product visibility. Recent research shows that the planned adoption of digital marketing can improve MSME marketing and sales performance, particularly in areas with limited access to conventional markets (Chaffey & Ellis-Chadwick, 2022; Pradiani & Nurhadi, 2023).

METHOD AND PROCEDURES

This community service activity is designed using a participatory and applied approach with the aim of sustainably improving the managerial and marketing capacity of MSMEs. The method used emphasizes a combination of training, mentoring, and hands-on practice to enable MSMEs to implement the Human Resource Management Information System (SIM SDM) and digital marketing strategies according to the needs and characteristics of the archipelago. The entire series of activities will be carried out for one month in November 2025, involving MSMEs as the primary subjects of the service.

Figure 2 Discussing Preparation for Implementing Activities

Activity Implementation Method

The method of implementing this community service activity uses *Participatory Action Learning*, an action-based learning approach that actively engages participants in every stage of the activity. This method was chosen so that MSMEs not only understand the concepts but also directly apply the knowledge gained in managing their businesses. Activities are implemented through interactive lectures, group discussions, simple simulations of using the Human Resources Management System (SIM), digital marketing training, and intensive mentoring.

Stages of Community Service Activities

Community service activities are carried out through several systematic stages as follows:

1. Preparation and Coordination Stage

   This phase includes coordination with local governments and MSME partners, participant identification, and the development of training modules for MSME HR and digital marketing. Additionally, an initial mapping of MSME HR management and marketing conditions was conducted.

2. Socialization and Needs Assessment Stage

   The community service team conducted program outreach to MSME participants as well as a needs assessment to determine their digital literacy levels, HR management patterns, and marketing strategies used.

3. Human Resources SIM Training Stage

   At this stage, participants are given training on employee data management, task distribution, work scheduling, and performance evaluation using a simple, application-based, easily accessible HR SIM.

4. Digital Marketing Training Stages

   The training focused on utilizing social media, marketplaces, creating promotional content, and digital branding strategies relevant to local MSME products.

5. Mentoring and Evaluation Stage

   The team provides direct assistance in the implementation of HR SIM and digital marketing, accompanied by evaluation of results and feedback for continuous improvement.

Activity Implementation Schedule

Table 1

Schedule for Implementation of Community Service Activities for MSMEs in Banggai Islands Regency

Sunday	Main Activities
Week I	Preparation, coordination, and socialization of the program
Week II	Needs assessment and training of HR SIM
Week III	Digital marketing strategy training
Week IV	Mentoring, evaluation, and reporting

Source: Community Service Team, 2025

Table 1 illustrates the flow and timeline of the community service activities, which will be held over a month in November 2025. The weekly activities are divided into sections to ensure each stage is carried out in a focused and continuous manner. This schedule provides MSME participants with sufficient time to understand the material, practice implementing HR SIM and digital marketing, and receive mentoring and evaluation from the community service team.

RESULTS OF ACTIVITIES AND DISCUSSIONS

Activity Results

A one-month community service program in November 2025 demonstrated positive results in improving the managerial and marketing capacity of MSMEs in Banggai Kepulauan Regency. These findings were obtained through field observations, pre- and post-training evaluations, and direct mentoring of MSME participants. The primary focus of the activity included improving understanding of Human Resource Management System (SIM), improving HR management practices, and enhancing digital marketing capabilities.

Figure 3

Implementation of Socialization of Human Resource Management Information System Improvement and Digital Marketing Strategy in Banggai Islands Regency

The majority of MSME participants previously lacked a structured HR recordkeeping system and relied on manual methods. After training and mentoring, MSMEs began adopting a simple HR MIS for employee registration, task allocation, and work schedule management. Furthermore, participants demonstrated significant improvements in their use of social media and marketplaces as marketing tools.

Table 2. Level of Understanding of MSMEs regarding HR SIM

Understanding Category	Before the Activity	After the Activity
Low	65%	10%
Currently	25%	35%
High	10%	55%

Source: Community Service Team Evaluation Data, 2025

Table 2 shows a significant increase in MSMEs' understanding of HR MIS after the training. Prior to the training, the majority of participants were in the low understanding category due to their unfamiliarity with digital HR management systems. After the training and mentoring, most participants moved to the high understanding category. This indicates that the application training method and intensive mentoring are effective in improving technology-based HR management literacy.

Table 3. Changes in MSME HR Management Practices

Indicator	Before (%)	After (%)
Employee data recording	20	85
Structured task distribution	30	80
Periodic performance evaluation	15	70

Source: Field Observation Results, 2025

Table 3 illustrates the significant changes in MSME HR management practices. Following the implementation of the HR MIS, there has been a significant improvement in employee data recording, task allocation, and performance evaluation. These changes demonstrate that MSMEs are beginning to understand the importance of systematic HR governance. The immediate impact is increased work efficiency and clarity of employee roles in business operations.

Table 4. Increase in MSME Digital Marketing Activities

Indicator	Before	After
MSMEs are active on social media	35%	90%
Use of marketplace	20%	75%
Regular promotional content production	15%	70%

Source: Community Service Team Monitoring, 2025

Table 4 shows a significant increase in MSME digital marketing activities. After the training, almost all participants actively used social media as a promotional tool. Furthermore, marketplace usage and promotional content creation also increased significantly. This demonstrates that digital marketing training accompanied by hands-on practice can encourage MSMEs to utilize digital platforms more optimally to expand their market reach.

Discussion

1. Implementation of HR SIM as a Strengthening of Internal Management

The implementation of the Human Resource Management Information System (HRMS) in MSMEs in Banggai Kepulauan Regency has significantly strengthened internal business management. Prior to the community service program, workforce management tended to be informal, poorly documented, and reliant on the business owner's experience. Through the implementation of a simple HRMS, MSMEs have become accustomed to recording employee data, assigning tasks, and organizing work schedules more systematically. This has increased transparency and accountability in business management. These findings align with the community service program conducted by Rahman and Putri (2022), who stated that digitizing internal management can improve operational efficiency and administrative order in MSMEs. With the HRMS, MSMEs have a more rational and data-driven basis for decision-making, thereby minimizing the risk of managerial errors.

2. Increasing the Human Resources Capacity of MSMEs

The implementation of the Human Resources Management Information System (SIM) training not only focused on improving technical skills but also encouraged a shift in mindset among MSMEs regarding the importance of human resource management. Participants began to realize that human resources are not merely a factor of production but also a strategic asset that requires sustainable development. Understanding clear task allocation, performance evaluation, and workforce competency development impacted business productivity. These results reinforce the findings of Abuhantash (2023) who stated that HR information systems play a crucial role in improving human resource quality and organizational performance, including in small businesses. Compared to the initial situation, MSMEs demonstrated increased awareness of the importance of HR planning and development as a foundation for business sustainability amidst increasingly fierce competition.

3. Effectiveness of Digital Marketing Strategy

The digital marketing strategy implemented in this community service activity has proven effective in increasing product visibility and sales potential for MSMEs. MSMEs are able to utilize social media and marketplaces as broader and more efficient promotional tools compared to conventional methods. Training in creating simple promotional content encourages business owners to be more creative in presenting their products. This finding aligns with the results of Nisa's (2024) community service program, which showed that digital marketing training can increase market reach and the attractiveness of MSME products. In the context of an archipelagic region like the Banggai Islands, digital marketing is a strategic solution to overcome limited physical market access. With its relatively low cost and broad reach, digital marketing provides opportunities for MSMEs to compete in a wider market.

4. Synergy of HR SIM and Digital Marketing

The synergy between the implementation of HR MIS and digital marketing strategies produces a more comprehensive impact than partial implementation. Structured HR management supports production consistency, service quality, and timely order fulfillment resulting from digital marketing. With well-managed HR, MSMEs are able to respond more effectively to increasing market demand. This finding aligns with Santoso and Kurniawan's (2025) research, which states that integrating internal management digitization and digital marketing can propel MSMEs to the next level and increase business competitiveness. The synergy between these two aspects demonstrates that MSME digital transformation must be carried out in an integrated manner to achieve optimal and sustainable benefits.

5. Program Sustainability and Replication

The sustainability of the program is a crucial aspect of this community service activity. The mentoring results indicate that most participants are committed to continuing to use the HR SIM and digital marketing strategies after the program ends. This commitment indicates a change in

behavior and an increase in MSME readiness to adopt technology. This aligns with the findings of Pradiani and Nurhadi (2023), who emphasized the importance of ongoing mentoring to ensure technology adoption among MSMEs is not temporary. Furthermore, this community service model has significant potential for replication in other island regions with similar characteristics, particularly those with limited market access and infrastructure. By adapting to the local context, this program can become a model for strengthening the competitiveness of digital-based MSMEs.

CONCLUSION

Community service activities focused on improving the competitiveness of MSMEs through the implementation of the Human Resource Management Information System (SIM SDM) and digital marketing strategies in Banggai Kepulauan Regency were successfully implemented and had a positive impact on participants. During the program, which took place in November 2025, MSMEs demonstrated improved understanding and skills in managing human resources in a more structured manner and utilizing digital technology to support business marketing activities.

The implementation of a simple HR MIS has been proven to improve internal governance in MSMEs, particularly in employee data recording, task allocation, and performance evaluation. This change drives operational efficiency and helps MSMEs make more rational, data-driven decisions. Furthermore, training and mentoring on digital marketing strategies enhance MSMEs' ability to utilize social media and marketplaces to expand market reach and increase product visibility.

The synergy between strengthening internal management through HR SIM and the implementation of digital marketing has a more comprehensive impact on business performance than either implementation alone. Better HR management supports consistent production and service delivery, while digital marketing opens up opportunities for broader market access, particularly in the context of island regions with limited physical access. Thus, this community service activity has successfully improved the managerial capacity and competitiveness of MSMEs in Banggai Kepulauan Regency. With the support of ongoing mentoring and cross-stakeholder collaboration, this program has the potential to be replicated in other regions with similar characteristics to encourage sustainable, digital-based MSME growth.

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