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STRENGTHENING HUMAN RESOURCE MANAGEMENT CAPACITY OF NOVICE ENTREPRENEURS THROUGH MENTORING TO ENHANCE BUSINESS PRODUCTIVITY

Husnah Katjina[1], Muhammad Nur Intan Ode[2], Moh. Rusman Ramli[3*]
[1]Program Studi Manajemen, Universitas Muhammadiyah Buton
[2]Program Studi PGSD, Universitas Muhammadiyah Buton
[3]Program Studi Akuntansi, Universitas Muhammadiyah Buton
E-mail: kahusna055@gmail.com[1], nurintanode5@gmail.com[2],dwinmaster@gmail.com[3*]

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Abstract

Human resource management (HRM) plays a vital role in enhancing the productivity and sustainability of start-up businesses. However, many novice entrepreneurs in West Boneatiro Village, Buton Regency, Southeast Sulawesi, Indonesia, still face challenges in managing human resources due to limited managerial knowledge and practical skills. This community service program aimed to strengthen the HRM capacity of novice entrepreneurs through training and intensive mentoring to improve business productivity. The program was conducted using a participatory approach involving needs assessment, interactive training, workshops on developing Standard Operating Procedures (SOPs), job descriptions, and simple Key Performance Indicators (KPIs), followed by mentoring and evaluation using pre-test and post-test instruments. A total of 25 novice entrepreneurs participated in the program. The evaluation results showed a significant improvement in participants' understanding of HRM practices, with the average pre-test score increasing from 55.73 to 86.20 in the post-test, representing a 54.70% improvement. Furthermore, participants successfully developed basic HRM documents and applied structured work allocation and simple performance appraisal systems within their businesses. These improvements contributed to better workforce management, enhanced operational efficiency, and increased business productivity. The findings demonstrate that HRM mentoring is an effective community empowerment strategy for strengthening entrepreneurial managerial capacity and supporting the sustainable development of micro and small enterprises in West Boneatiro Village.

Keywords: business productivity; community service; human resource management; novice entrepreneurs; West Boneatiro Village.

INTRODUCTION

Micro and small enterprises (MSEs) play a significant role in promoting economic growth, creating employment opportunities, and improving community welfare in Indonesia. As the backbone of the national economy, MSEs contribute substantially to regional development, particularly in rural areas. However, many newly established businesses still struggle to sustain their growth due to limited managerial capabilities. Although financial and marketing issues are commonly recognized as major constraints, inadequate human resource management (HRM) remains an overlooked factor affecting business productivity and sustainability. Effective HRM enables entrepreneurs to optimize workforce performance, improve operational efficiency, and strengthen business competitiveness.

Human resource management includes workforce planning, task allocation, employee motivation, performance evaluation, training, and organizational development. These functions are essential for establishing an efficient and productive business environment. Nevertheless, novice entrepreneurs often manage their businesses informally without applying fundamental HRM principles. Employees are frequently recruited based on personal relationships, work responsibilities are not clearly defined, and business operations are conducted without written procedures or systematic performance evaluation. As a result, productivity remains low, operational activities become inconsistent, and business growth is constrained.

Previous studies have shown that effective HRM practices positively influence employee performance, organizational effectiveness, and business sustainability. However, HRM implementation among micro and small enterprises remains limited because entrepreneurs generally prioritize production, marketing, and financial management over workforce development. Limited managerial knowledge and insufficient access to practical

business training further hinder the adoption of structured HRM practices. Therefore, community-based capacity-building programs focusing on practical HRM implementation are needed to strengthen managerial competencies among novice entrepreneurs. West Boneatiro Village, Buton Regency, Southeast Sulawesi, has considerable economic potential supported by businesses operating in fisheries, agriculture, food processing, retail trade, and household industries. Despite this potential, field observations revealed that many novice entrepreneurs still experience difficulties in organizing and managing human resources effectively. Most businesses rely on family members or temporary workers without clear job descriptions, Standard Operating Procedures (SOPs), or performance evaluation systems. Consequently, work quality depends heavily on individual experience, operational efficiency remains low, and opportunities for business expansion are limited. To address these challenges, a community service program was implemented using a participatory mentoring approach. The program consisted of needs assessment, HRM training, practical workshops, and continuous mentoring.

Participants were introduced to simple and practical HRM tools, including organizational structures, job descriptions, Standard Operating Procedures (SOPs), and Key Performance Indicators (KPIs), which were specifically adapted to the characteristics of micro and small enterprises. Program effectiveness was evaluated using pre-test and post-test assessments to measure improvements in participants' understanding of HRM concepts and practices. The novelty of this community service lies in integrating competency-based HRM with intensive mentoring specifically designed for novice entrepreneurs in rural communities. Unlike many entrepreneurship development programs that primarily focus on financial literacy or marketing strategies, this program emphasizes strengthening human resource management as a foundation for sustainable business growth. The practical HRM tools introduced in this program are simple, applicable, and suitable for resource-constrained micro-enterprises, thereby increasing the likelihood of long-term implementation.

Therefore, this community service aimed to strengthen the human resource management capacity of novice entrepreneurs in West Boneatiro Village, Buton Regency, Southeast Sulawesi, Indonesia, through participatory mentoring. Specifically, the program sought to improve participants' understanding of HRM principles, assist them in developing practical HRM management tools, and enhance business productivity through better workforce management. The outcomes of this program are expected to provide a sustainable community empowerment model that can be replicated in other rural communities with similar characteristics

LITERATURE REVIEW

Human Resource Management

Human Resource Management (HRM) refers to a systematic process of planning, organizing, developing, motivating, and evaluating human resources to achieve organizational objectives effectively and efficiently. HRM encompasses various managerial functions, including workforce planning, recruitment, training and development, performance appraisal, compensation, and employee retention. Effective HRM enables organizations to improve employee performance while creating sustainable competitive advantages. In entrepreneurial businesses, particularly micro and small enterprises (MSEs), HRM practices are generally informal due to limited financial resources, simple organizational structures, and the dominant role of business owners in decision-making. Nevertheless, previous studies indicate that structured HRM practices significantly improve organizational performance, employee commitment, and business sustainability.

Human Resource Management in Novice Entrepreneurial Businesses

Unlike established companies, novice entrepreneurial businesses usually operate with limited managerial experience and resource constraints. Consequently, human resource management is often neglected because entrepreneurs focus primarily on production, marketing, and financial activities. Employees are commonly recruited through informal networks, work responsibilities are not clearly defined, and business operations rely heavily on personal experience rather than standardized management practices. Such conditions reduce operational efficiency and limit business growth. Research on entrepreneurial firms highlights that HRM practices should be adapted to the characteristics of small businesses by emphasizing simple, flexible, and practical management systems that are easy to implement while supporting organizational development.

Mentoring as a Community Empowerment Strategy

Mentoring is a participatory learning approach that combines knowledge transfer, practical guidance, and continuous assistance to improve participants' competencies. In community service activities, mentoring is considered more effective than one-time training because participants receive direct support while implementing

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newly acquired knowledge in their own business environments. Through mentoring, entrepreneurs can identify managerial problems, develop practical solutions, and continuously improve business performance. This approach also encourages active participation, collaborative learning, and sustainable behavioral change, making it suitable for strengthening managerial capacity among novice entrepreneurs.

Business Productivity

Business productivity refers to the efficiency with which available resources are transformed into products or services that generate economic value. In micro and small enterprises, productivity is influenced not only by technology and financial capital but also by the quality of human resource management. Clear job descriptions, standardized operational procedures, employee motivation, and systematic performance evaluation contribute to higher operational efficiency and better service quality. Therefore, strengthening HRM capacity is expected to improve workforce performance and ultimately increase business productivity and sustainability. Studies on SMEs consistently show that effective HRM practices contribute to organizational performance, innovation capability, and long-term competitiveness.

Based on these theoretical perspectives, this community service program adopted a mentoring approach to strengthen the human resource management capacity of novice entrepreneurs in West Boneatiro Village. The program emphasized practical HRM implementation through the preparation of organizational structures, job descriptions, Standard Operating Procedures (SOPs), and simple Key Performance Indicators (KPIs) to support improved workforce management and business productivity.

METHOD

This community service program was conducted in West Boneatiro Village, Buton Regency, Southeast Sulawesi, Indonesia, from May to June 2026. The target participants were 25 novice entrepreneurs operating micro and small enterprises in various sectors, including fisheries, food processing, retail trade, agriculture, and household industries. Participants were selected purposively based on three criteria: (1) operating a business for less than five years, (2) having at least one employee or family member involved in business operations, and (3) demonstrating a willingness to participate throughout the mentoring program.

The program adopted a participatory mentoring approach, emphasizing active involvement of participants in every stage of the activity. This approach was designed to strengthen practical competencies in human resource management (HRM) through knowledge transfer, hands-on practice, and continuous mentoring. The implementation consisted of five sequential stages.

The first stage was needs assessment, conducted through direct observation, interviews, and discussions with village officials and participants to identify existing HRM practices and major managerial challenges. The assessment revealed that most businesses lacked clear job descriptions, Standard Operating Procedures (SOPs), performance evaluation systems, and structured work organization.

The second stage involved HRM training, delivered through interactive lectures and group discussions. The training covered fundamental HRM concepts, workforce planning, organizational structure, job descriptions, employee motivation, Standard Operating Procedures (SOPs), and simple Key Performance Indicators (KPIs). Learning materials were adapted to the characteristics of micro and small enterprises to ensure practical applicability.

The third stage consisted of practical workshops, during which participants were guided to prepare HRM documents for their respective businesses. Each participant developed a simple organizational structure, job descriptions, SOPs for daily operations, and KPIs to monitor employee performance. Facilitators provided technical assistance and feedback to ensure that the developed documents reflected participants' business conditions.

The fourth stage was intensive mentoring, conducted through business visits and individual consultations. During this stage, participants implemented the prepared HRM tools within their businesses while receiving continuous guidance from the service team. The mentoring focused on improving task allocation, communication, employee supervision, and performance monitoring.

The final stage involved program evaluation to measure the effectiveness of the mentoring activities. Participants completed identical pre-test and post-test questionnaires consisting of 20 multiple-choice questions covering key HRM concepts and practices. The improvement in participants' knowledge was measured by comparing average pre-test and post-test scores. Program effectiveness was calculated using the percentage increase in scores with the following formula:

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Improvement (%) = ((Post-test Score – Pre-test Score) / Pre-test Score) × 100

In addition to the quantitative assessment, qualitative data were collected through observations, participant feedback, and documentation of mentoring activities. These data were analyzed descriptively to identify changes in participants' managerial practices after the intervention. Indicators of program success included: (1) increased participant understanding of HRM concepts, (2) successful preparation of organizational structures, job descriptions, SOPs, and simple KPIs, (3) improved ability to organize employee responsibilities, and (4) participants' commitment to implementing HRM practices in their businesses.

The combination of participatory training, practical workshops, and continuous mentoring enabled participants to directly apply HRM concepts within their business operations. This approach was expected to strengthen managerial capacity, improve workforce organization, and enhance business productivity among novice entrepreneurs in West Boneatiro Village.

RESULTS AND DISCUSSION

Implementation of Community Service Activities

The community service program was implemented in West Boneatiro Village, Buton Regency, Southeast Sulawesi, involving 25 novice entrepreneurs representing fisheries, food processing, retail trade, agriculture, and household industries. The activities were carried out through five consecutive stages: needs assessment, HRM training, practical workshops, mentoring, and evaluation.

The initial needs assessment revealed that the majority of participants had never received formal training in human resource management. Business operations were generally managed informally by the owners, with employees consisting mainly of family members or temporary workers. Most participants had no written organizational structure, job descriptions, Standard Operating Procedures (SOPs), or employee performance evaluation system. Consequently, work responsibilities frequently overlapped, productivity varied among workers, and business performance relied heavily on the owner's direct supervision.

Based on these findings, the service team designed learning materials that emphasized practical and easily applicable HRM tools suitable for micro and small enterprises. Interactive discussions encouraged participants to share their experiences and identify managerial problems encountered in their businesses.

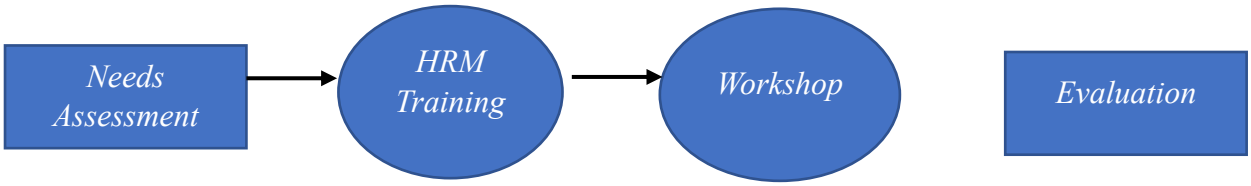


Figure 1. Community Service Implementation Stages

Participant Characteristics

A total of 25 novice entrepreneurs participated throughout the mentoring program.

Table 1. Characteristics of Participants

Characteristics	Frequency	Percentage (%)
Male	14	56.0
Female	11	44.0
Business age < 3 years	16	64.0
Business age 3–5 years	9	36.0
Fisheries	7	28.0
Food Processing	6	24.0
Retail Trade	5	20.0
Agriculture	4	16.0
Household Industry	3	12.0

The data indicate that most participants were relatively new entrepreneurs operating businesses for less than three years. Such businesses generally require managerial strengthening because organizational systems have not yet been well established.

Improvement of HRM Knowledge

Program effectiveness was evaluated using identical pre-test and post-test instruments consisting of twenty questions covering basic HRM concepts.

Table 2. Pre-test and Post-test Results

Indicator	Pre-test	Post-test	Improvement (%)
HRM Knowledge	58.40	86.20	47.60
Job Description	52.80	84.50	60.04
SOP Development	55.60	87.30	57.01
KPI Development	56.10	86.80	54.72
Average	**55.73**	**86.20**	**54.70**

The results demonstrate a substantial increase in participants' understanding after the mentoring activities. The average score increased from **55.73** during the pre-test to **86.20** in the post-test, indicating that the participatory mentoring approach effectively enhanced participants' managerial knowledge.



Figure 2. Average Pre-test and Post-test Scores

The greatest improvement occurred in the preparation of job descriptions and Standard Operating Procedures. Before the program, most participants had never documented employee responsibilities or business procedures. After mentoring, participants were able to develop simple HRM documents adapted to their business activities.

Development of Practical HRM Documents

One of the primary outputs of this community service program was the preparation of practical HRM management documents.

By the end of the program:

- **100%** of participants prepared a simple organizational structure.
- **92%** successfully developed written job descriptions.
- **88%** completed Standard Operating Procedures (SOPs).
- **84%** developed simple Key Performance Indicators (KPIs).
- **80%** began implementing regular employee performance evaluations.

These documents enabled entrepreneurs to organize employee responsibilities more clearly and reduce overlapping work assignments. Participants also reported that employees better understood their respective duties after the implementation of written job descriptions.

Changes in Managerial Practices

During mentoring visits, several positive changes were observed. Business owners began conducting daily work planning before business operations started. Employees received clearer instructions regarding production activities,

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customer service, inventory management, and cleanliness. Written SOPs improved consistency in operational activities, while simple KPIs enabled entrepreneurs to monitor employee attendance, productivity, and work quality more objectively.

Several participants also reported improvements in internal communication because responsibilities became more transparent. Employees no longer depended entirely on direct supervision from business owners, allowing entrepreneurs to allocate more time to business development activities.

Although this program did not directly measure financial performance, participants indicated improvements in operational efficiency through reduced work duplication, better time management, and more systematic business organization.

Discussion

The findings indicate that participatory mentoring is an effective strategy for strengthening human resource management among novice entrepreneurs. Unlike conventional lecture-based training, mentoring provides continuous guidance that allows participants to immediately apply newly acquired knowledge in their own businesses. This practical learning process facilitates behavioral change because entrepreneurs receive direct feedback during implementation.

The significant increase in pre-test and post-test scores demonstrates that participants successfully understood fundamental HRM concepts, including workforce planning, job descriptions, Standard Operating Procedures, and performance evaluation. These findings support previous studies reporting that practical HRM training significantly improves managerial competence and organizational performance in micro and small enterprises.

The preparation of organizational structures, SOPs, and KPIs represents another important achievement of this program. Many micro-enterprises generally operate without written management systems because business owners perceive formal management as unnecessary or too complicated. However, this mentoring program demonstrated that simple HRM tools can be developed without requiring sophisticated technology or substantial financial investment. Instead, entrepreneurs can adopt practical management instruments that are proportional to their business scale.

The implementation of written job descriptions reduced overlapping responsibilities among workers and improved accountability within participating businesses. Similarly, the introduction of SOPs standardized operational activities, resulting in more consistent work processes and improved service quality. Previous research has consistently highlighted that operational standardization contributes to higher productivity by reducing process variation and minimizing operational errors.

The use of simple Key Performance Indicators also encouraged entrepreneurs to monitor employee performance more objectively. Prior to the mentoring program, employee evaluation was generally based on subjective observations. After the intervention, entrepreneurs began using measurable indicators such as attendance, productivity, work quality, punctuality, and customer service. This shift represents an important step toward evidence-based managerial decision-making in micro-enterprises.

Another notable outcome was the increased confidence of participants in managing their businesses. Entrepreneurs expressed greater confidence in delegating responsibilities to employees because work procedures and performance expectations had been clearly documented. Consequently, business owners were able to focus more on strategic activities, including marketing, customer relationship development, and business expansion.

The success of this community service program can also be attributed to the participatory mentoring approach, which encouraged active collaboration between facilitators and participants. Rather than merely transferring theoretical knowledge, facilitators continuously assisted participants during implementation, enabling them to overcome practical managerial challenges. This approach aligns with community empowerment principles emphasizing capacity building, participation, and sustainability.

Overall, the findings demonstrate that strengthening HRM capacity through participatory mentoring contributes not only to improved managerial knowledge but also to practical organizational changes that support higher business productivity. Therefore, similar community service programs should be expanded to other villages to strengthen the managerial capacity and competitiveness of micro and small enterprises across rural communities.

CONCLUSION

The community service program successfully strengthened the human resource management (HRM) capacity of novice entrepreneurs in West Boneatiro Village, Buton Regency, Southeast Sulawesi, through a

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participatory mentoring approach. The program significantly improved participants' understanding of HRM concepts, as demonstrated by the increase in the average pre-test score from **55.73** to **86.20** in the post-test. In addition to improving knowledge, participants successfully developed and implemented practical HRM tools, including organizational structures, job descriptions, Standard Operating Procedures (SOPs), and simple Key Performance Indicators (KPIs), which contributed to better workforce organization and more systematic business operations.

The mentoring approach proved effective because it combined theoretical training with practical guidance, enabling participants to directly apply HRM practices within their businesses. The implementation of simple HRM systems improved work organization, clarified employee responsibilities, strengthened performance monitoring, and enhanced participants' managerial confidence. These improvements are expected to support higher business productivity and the long-term sustainability of micro and small enterprises.

Future community service programs should expand mentoring activities by integrating digital HRM tools, financial management, marketing strategies, and business networking to strengthen entrepreneurial competitiveness. Continuous collaboration among universities, local governments, and community organizations is also recommended to ensure the sustainability and wider implementation of HRM capacity-building programs in rural communities.

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