

Implementation of MSME Performance Management in the Framework of Improving Shojiru Healthy Juice Business Performance

Prabadika Reyhan Fernaldy

Universitas Indonesia, Jakarta, Indonesia

Emails: prabadikareyhanf@gmail.com

Abstract

MSMEs play a critical role in driving Indonesia's economy. Shojiru Healthy Juice, a ready-to-drink beverage brand known for its health benefits and delicious taste, is one such MSME. Despite 8 years of continuous development, the business faced a significant decline in the past year due to several factors. The primary issue identified was the excessive workload of the owner, who was unable to fully focus on Shojiru's operations due to external activities. Additionally, the lack of effective performance management and job analysis further exacerbated the problem. This research aimed to address these challenges by implementing improvements in performance management and job analysis. Through a combination of analytical tools and interviews, the study proposed actionable solutions. The implementation of these solutions resulted in a 22.3% increase in sales and a 6% rise in collaboration with new outlets, demonstrating their effectiveness in reversing the business's downturn and paving the way for sustainable growth.

Keywords: Job Analysis, MSMEs, Performance Management, Shojiru Healthy Juice, Workload.

INTRODUCTION

Indonesia, as a developing country, has demonstrated significant economic growth, reflected in its Gross Domestic Product (GDP), which reached IDR 4,919 trillion at current prices in the second quarter of 2022 (BPS, 2022). A key driver of this growth is the micro, small, and medium enterprises (MSMEs) sector. MSMEs play a crucial role in Indonesia's economy, accounting for 99% of all business units and contributing 61.07% to the GDP. They also generate 97% of national employment and account for 60.4% of total investment (Ministry of Cooperatives and SMEs, 2021). This highlights the critical role of MSMEs in supporting sustainable economic development, making them a pivotal focus for further research and policy intervention (Ndubisi et al., 2021).

The MSME sector in Indonesia plays a vital role in the country's economy, yet it faces numerous challenges that require effective policy interventions to support its development (Prasetyo, 2020). Entrepreneurs in the 21st century, including SMEs, must navigate serious challenges such as intense market competition, consumer demands for higher-quality yet cost-efficient products, and the necessity to adapt swiftly to rapid industrial changes (Lesáková et al., 2017). Addressing these challenges effectively requires innovative strategies and policies, grounded in practical data and case studies, to ensure the sustainable growth and resilience of MSMEs in Indonesia.

To address the challenges of intense competition and rapid industrial changes, SMEs must prioritize innovation as a strategic response. Previous research highlights five key factors inhibiting technological

innovation in SMEs: government support, quality of human resources, financing of technological innovation, economic conditions, and business partners (Indrawati et al., 2020). Among these, the quality of human resources has been consistently identified as a critical barrier to MSME development. This finding aligns with broader studies emphasizing the need for targeted interventions to enhance human resource capabilities as a driver of innovation and competitiveness. For instance, "Shojiru Healthy Juice," a family-owned MSME established in 2014, exemplifies these challenges, particularly in addressing skill gaps and fostering innovative practices within its workforce. A more critical analysis of existing literature could further contextualize these barriers, highlighting gaps and potential solutions tailored to SMEs (Alkhoraif et al., 2019).

Shojiru's marketing activities are minimal and have even declined, as evidenced by the brand's inactivity in participating in events, limited social media engagement, lack of promotional initiatives, and weak online sales presence. This decline in marketing efforts can be attributed to the owner's divided focus and inability to allocate time effectively due to numerous commitments. The owner is currently pursuing postgraduate education and managing other businesses in the mining and plantation sectors. These factors hinder the optimal implementation of strategies, even though strategic approaches are crucial for MSMEs. Effective business strategies are essential for enhancing customer service and fostering an innovative attitude in the implementation and growth of MSMEs (Indrawati et al., 2020).

Shojiru Healthy Juice is a health drink product that aligns with the growing public interest in processed food and beverage products in Indonesia. Based on data from BPS (2021), the average monthly expenditure per capita on processed food and beverages reached IDR 197,682, making it the fourth highest expenditure category by commodity group. This represents a significant increase from IDR 133,834 in 2016 (BPS, 2016), highlighting a steady rise in consumer demand for such products. The upward trend reflects not only a broader range of product choices but also an improvement in the quality of offerings tailored to meet consumer preferences (Luchs et al., 2016).

Based on the problem formulation that has been explained, there is a goal of conducting business coaching, which is to optimize employee performance management to improve the performance of MSMEs (Vásquez et al., 2021). The benefits of business coaching for business owners are that it is expected to provide solutions related to the problems being faced, these solutions are also expected to be appropriate so that they will affect the development of the business and the achievement of the business vision.

RESEARCH METHODS

Semi-structured interviews will be conducted as a qualitative approach to collecting data. This method involves an organized yet flexible conversation, guided by new insights that emerge during the interactive discussion (Ahlin, 2019). The semi-structured format allows the interviewer to add questions addressing unexpected but relevant areas that arise (Turner et al., 2023). Both primary and secondary data will be used, with primary data obtained directly through the interview process. Steps will be taken to ensure reliability and validity by enhancing the rigor of the methodology, such as piloting the interview guide and cross-referencing findings with secondary data. Additionally, acknowledging the potential limitations of this approach, such as interviewer bias and variability in responses, provides a more balanced perspective on the chosen method.

At this time, the location of the production process, office, and offline sales are carried out on Jl. Mayjend Ishak Djuarsa No.226, RT.01 / RW.12, Gunung Batu, Kec. Bogor Bar., Bogor City, West Java.

RESULT AND DISCUSSION

Workload Analysis

Table 1. Workload Analysis of Shojiru CEO - Shojiru

No	Task Description	Work Outcome	Time Adjustment
1	Monitor financial, marketing, and operational reports	Performance evaluation	6 hours per week
2	Monitor daily activities of employees	Improvement in employee performance	6 hours per week
3	Develop financial, marketing, and operational strategies	Enhancement of company performance	4 hours per week
4	Conduct evaluations	Problem-solving	1 hour per day
5	Provide good motivation to employees	Improvement in employee performance	1 hour per day
6	Maintain good relationships with partnerships	Partner loyalty	5 hours per week
7	Build new relationships beneficial to the company	Enhancement of company performance	2 hours per week
8	Attend collaboration events	Brand improvement	2 hours per month

Based on the workload analysis above, all the job descriptions performed by the CEO of Shojiru, the work output of each job description, and the completion or adjustment time for each task are described. This data was obtained from interviews and discussions with the CEO.

Table 2. Shojiru CEO Workload Analysis Results – Shojiru

No	Task Description	Adjustment Time	Effective Working Time	Employees Needed
1	Monitor financial, marketing, and operational reports	360	1500	0.24
2	Monitor daily activities of employees	360	1500	0.24
3	Develop financial, marketing, and operational strategies	240	1500	0.16
4	Conduct evaluations	60	300	0.2
5	Provide good motivation to employees	60	300	0.2
6	Establish good relationships with partnerships	300	1500	0.2
7	Build new relationships beneficial for the company	120	1500	0.08
8	Attend collaboration events	240	6000	0.04
Total			1.36	

Based on the results of the above calculations, it is found that there are 1.36 people who are right in filling the position as CEO of Shojiru. In this case, the coach also conducted a workload analysis of the CEO's other activities, namely postgraduate education and also plantation and mining businesses. The following are the results of the analysis:

Table 3. Postgraduate Education Workload Analysis Owner

No	Task Description	Work Outcome	Adjustment Time
1	Completing course assignments	Graduation requirement	3 hours per week
2	Attending learning classes	Graduation requirement	10 hours per week
3	Working on the thesis	Graduation requirement	6 hours per week
4	Conducting thesis guidance sessions	Graduation requirement	3 hours per week
5	Attending campus seminar activities	Graduation requirement	2 hours per week
6	Attending campus student hearings	Graduation requirement	2 hours per week
7	Building good networking	Opportunity Seeking	2 hours per week

Table 4. Owner's Postgraduate Education Workload Analysis Results

No	Task Description	Adjustment Time	Effective Working Time	Employees Needed
1	Completing coursework	180	1500	0.12
2	Attending learning sessions	600	1500	0.4
3	Working on a thesis	360	1500	0.24
4	Engaging in thesis supervision	180	1500	0.12
5	Participating in campus seminars	120	1500	0.08
6	Attending campus student hearings	120	1500	0.08
7	Building good networking relationships	120	1500	0.08
				1.12

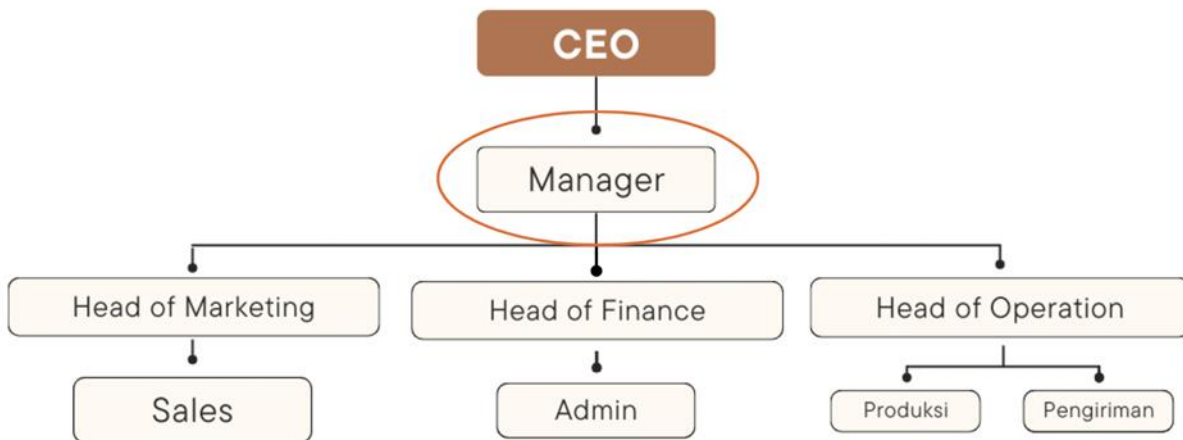
Table 5. Workload Analysis of Mining and Plantation Company Owner

No	Task Description	Work Result	Time Adjustment
1	Monitor financial, marketing, and operational reports	Performance evaluation	3 hours per week
2	Develop financial, marketing, and operational strategies	Improved company performance	2 hours per week
3	Attend weekly meetings	Problem solving	3 hours per week
4	Conduct evaluations	Problem solving	2 hours per day
5	Maintain good relationships with partners	Partner loyalty	4 hours per week
6	Build new relationships beneficial for the company	Improved company performance	2 hours per week

Figure 6. Results of Workload Analysis of Mining and Plantation Company Owner

No	Task Description	Adjustment Time	Effective Work Time	Employees Needed
1	Monitor financial, marketing, and operational reports	180	1500	0.12
2	Develop financial, marketing, and operational strategies	120	1500	0.08
3	Attend weekly meetings	180	1500	0.12
4	Conduct evaluations	120	300	0.4
5	Maintain good relationships with partners	360	1500	0.24
6	Build new relationships beneficial to the company	120	1500	0.08
				1.04

Based on the results of the analysis above, it is found that for effectiveness, 1 employee is needed who focuses only on shojiru in running the business. Therefore, based on the results of discussions with the owner, it was agreed that there would be changes to the organizational structure of Shojiru, namely there would be a General Manager / General Manager position under the CEO directly under the severe Head.



Based on the decision of the owner, Wana, who had previously held the position of Head of Marketing, would take over as General Manager. There are two considerations of the owner, the first is related to trust, Wana has worked together with the owner for 13 years, although Wana is not part of the owner's family but Wana has gained high trust from the owner. The second is related to ability, based on the owner's assessment, Wana not only understands marketing, but also understands the overall running of Shojiru's business because he has worked from the beginning of Shojiru's establishment.

Performance Management

Based on the analysis of existing problems, it is necessary to make improvements related to setting targets from the marketing division with the following KPIs:

Prabadika Reyhan Fernaldy

Table 7. KPIs of Shojiru Marketing

Division:		Marketing								
Supervisor:		Farras Muhammad Raihan								
Head of Division:		Wana								
Period:		Q2 - 2023								
Bagian	Kegiatan	Target Monthly/Quarterly	Actual Target Monthly/Quarterly			Target Type	Progress			Total Progress %
			Month I	Month II	Month III		Month I	Month II	Month III	
Market	Peningkatan penjualan online	125				Monthly Target -	0.00%	0.00%	0.00%	0.00%
	Peningkatan penjualan online	10%				Quarterly Target -	0.00%	0.00%	0.00%	0.00%
Partnership	Deal closing Partnership	3				Monthly Target -	0.00%	0.00%	0.00%	0.00%
	Partnership Loss	0				Quarterly Target -	0.00%	0.00%	0.00%	0.00%
Quarter Achievement %										
		Q1		Final Achievement						
Bagian	Quarter Achievement									
Market		0,00%								
Partnership										
Total Achievement Q1										
		Q2								
Bagian	Quarter Achievement									
Market	0.00%									
Partnership										
Total Achievement Q2										

B2B growth is set to be a target of 36 new partnerships within one year, this is done because there is a decrease in the number of partnerships with retail stores which will certainly affect the company's performance. The number of targets set has been agreed upon and has gone through discussions with MSME owners. In terms of offline and online sales, there was a very significant decline during 2022, so it is necessary to set an increase in sales. Finally, the B2B partnership loss was set at 0% or no decline at all.

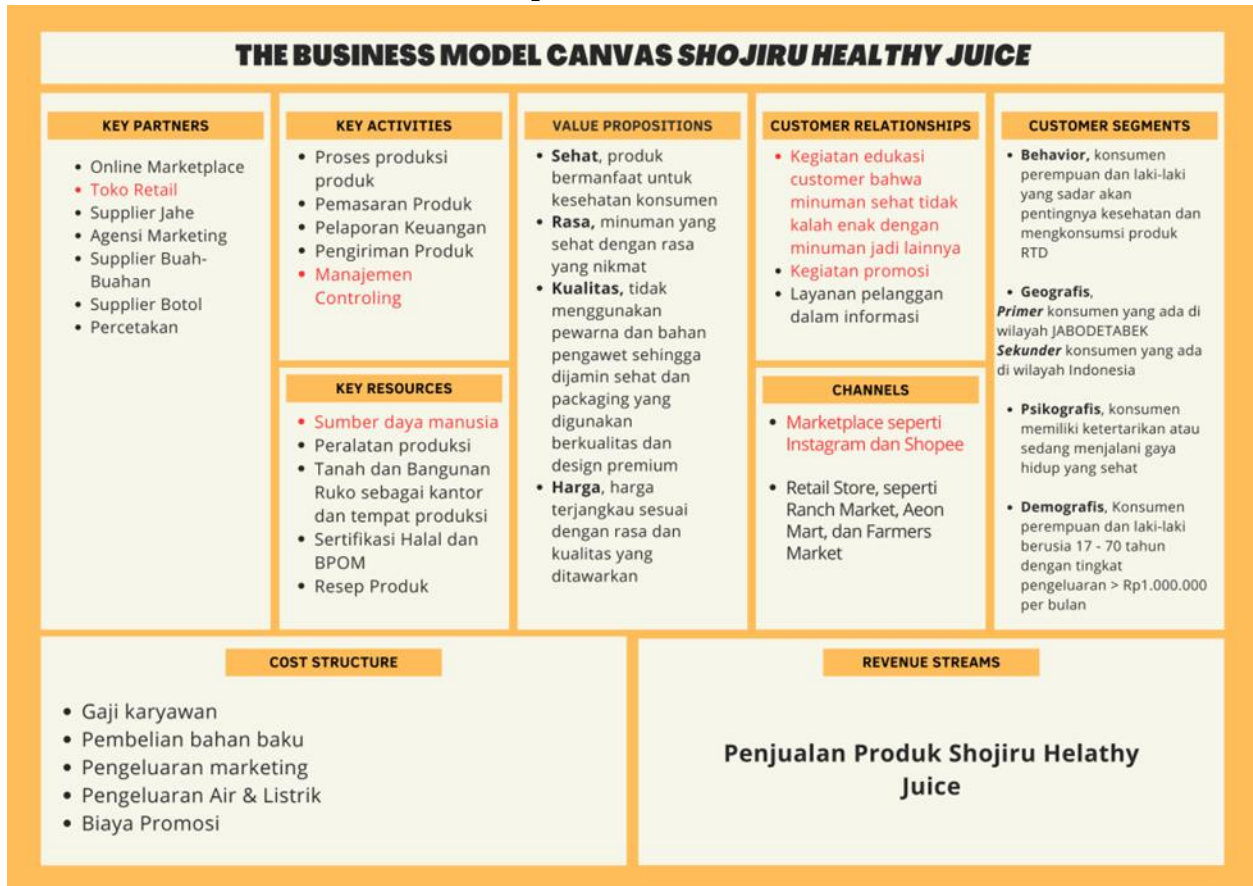
This is because Shojiru has lost a large number of partnerships during 2022 and also this target will encourage the marketing team to continue to build good relationships with existing partnerships.

Job Analysis

Basically, the application of solutions in the form of job analysis is to be able to provide tasks and responsibilities for the position of head of marketing and sales in Shojiru's business, this is done because previously there were no clear responsibilities and tasks so that the marketing division could not be fully in charge or responsible for jobs such as social media and e-commerce admin which of course will have a big effect on Shojiru's business. The following is the Job Description of the head of marketing and sales position:

Deskripsi Jabatan : Kepala Pemasaran
Peran Utama Jabatan (Primary Job Role) : Mengelola pemasaran perusahaan dengan strategi yang tepat sehingga perusahaan dapat mencapai visi dan misi yang ditetapkan
TUGAS POKOK (Key Tasks) : <ol style="list-style-type: none">1. Menentukan strategi pemasaran yang tepat dan efektif2. Meningkatkan jumlah partnership retail store dan dapat memenuhi target yang diberikan perusahaan3. Mengimplementasikan strategi pemasaran yang tepat dan efektif4. Meningkatkan penjualan dan dapat memenuhi target yang diberikan perusahaan5. Membangun hubungan yang baik dengan <i>partnership retail store</i>6. Menjaga hubungan yang baik dengan <i>partnership retail store</i>7. Mengatur dan mengelola sosial media perusahaan8. Menerima dan menangani komplain dari customer9. Melakukan evaluasi kinerja dari tim marketing10. Memberikan laporan kepada CEO terkait pemasaran di perusahaan
Job Qualifications : <ul style="list-style-type: none">● Minimal D3, diutamakan dari jurusan Manajemen● Pengalaman kerja minimal 2 tahun pada posisi yang setara● Kompetensi yang dibutuhkan : Strategic skills and communication skills
Key Performance Indicators : <ol style="list-style-type: none">1. Pertumbuhan B2B Partnership (Retail Store)2. Pertumbuhan penjualan offline3. Pertumbuhan penjualan online4. B2B Partnership loss (Retail Store)

Canvas Business Model After Solution Implementation



Business Model Canvas After Solution Implementation

Based on the solutions that have been implemented, there are several changes and optimizations that exist in BMC. The first is related to customer relationships, namely in the educational activities carried out and also promotional activities (Juanamasta et al., 2019). These two activities have increased significantly as a result of a clear division of tasks and responsibilities on Shojiru's Instagram social media and also weekly meetings that have been routinely carried out as part of the marketing division's duties in achieving its targets. In addition, in terms of channels on their marketplace on Instagram and Shopee, they have also been active, which previously stopped being active; this is the output of the division of duties and responsibilities as a person in charge of the related marketplace.

Then, in the key activities section, there is controlling management where what is meant here is that through workload analysis, the results show that there is a new position as general manager that can lighten the workload of the owner; this affects the controlling function in the business so that business performance has increased. Then, in the key resources section, especially in the HR department, there was an increase in performance with the implementation of solutions such as setting targets in the form of KPIs, a clear division of tasks and responsibilities, and also a better supervisory function (Uddin et al., 2021). For key partnerships, there was an increase in cooperation with new outlets / retail stores, which increased by 6%.

CONCLUSION

Based on the workload analysis, it was determined that the owner's current workload is excessively

high, requiring the equivalent of 3.52 people to manage effectively. This excessive workload has caused the owner to become unfocused, leading to a significant decline in the Shojiru business's performance over the past year. To address this issue, the analysis highlights the importance of establishing a dedicated general manager position. This strategic recommendation aims to redistribute responsibilities, enhance operational focus, and improve overall business performance. Implementing this solution not only addresses the immediate challenges but also sets the foundation for sustainable growth and improved efficiency in the long term.

The solution in the form of job analysis was carried out on the basis of findings that there was no clear division of duties and responsibilities for each employee, this had the effect of not running the daily activities of employees properly it affected business performance which had decreased, not running social media properly, not running online sales, and there were no employees who could be held clearly accountable for this. Job analysis is done by creating a class job description, especially for the marketing team.

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