

INCREASING THE COMPETENCE OF HUMAN RESOURCES IN ORDER TO CREATE COMPETITIVENESS

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Abstract

Modern lifestyles have made appearance trends, including hairstyles, a staple of urban society. This has fuelled the growth of the barbershop industry, including Barbershop 99 located in East Surabaya. This study aims to identify the condition of human resource (HR) competencies, factors that influence their improvement, competency improvement strategies implemented by Barbershop 99, and their impact on business competitiveness. The research method used was a descriptive approach with data collection techniques through interviews and observations, involving all 30 employees of Barbershop 99 as informants. The results showed that HR competence at Barbershop 99 is quite good and contributes positively to increasing competitiveness. Competency improvement strategies are carried out through routine technical training, professional development, establishment of a collaborative work culture, mentoring system, and provision of incentives and career paths. This increase in competence has a direct impact on professionalism, work efficiency, harmonious relationships with customers, and high customer loyalty. The implications of these findings suggest that HR competencies are a strategic foundation in creating and maintaining competitive advantage. Therefore, it is recommended that the management of Barbershop 99 continue to update training materials, increase the frequency of coaching, and establish a sustainable competency evaluation system. In addition, the development of self-learning initiatives, mentoring among employees, and participation in professional events are recommended to strengthen Barbershop 99's position in the midst of competition in the modern service industry.

Keywords: Competency Development, Service Business Competitiveness, Employee Training Strategy, Human Resource Management

INTRODUCTION

The social and cultural changes that have occurred in the modern era have led to a shift in people's lifestyles, including in the way individuals view the importance of self-care. Lifestyle no longer just covers the fulfilment of basic needs, but rather becomes a medium of self-expression that reflects personal identity, social status, and aesthetic values. Kusnandar and Kurniawan (2020), state that lifestyle is a collection of meaningful activities that include the way individuals interact, dress, and care for themselves-both individually and socially. This phenomenon does not only apply to women, but is also increasingly evident among modern men.

Men's heightened awareness of their appearance, including hair and facial care, indicates a paradigm shift. Grooming activities that were previously considered taboo are

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now part of a routine that supports increased self-confidence. The emergence of hairstyle trends such as burst fade, taper fade, mullet, to Korean-style hairstyles popular on social media, is an indicator of the increasing need for professional haircut services.

Advances in technology and information have accelerated this transformation (Emmywati et al., 2024). Modernisation has not only improved people's standard of living, but also created a consumptive culture towards products and services that support appearance. The transformation of the traditional barbershop to the modern barbershop is a response to this need. In the past, millennials and generation Z, who have extensive access to information, have become selective consumers in choosing grooming services that suit their preferences and the latest trends.

In this context, the transformation of barbershops from traditional models to modern barbershops is an adaptive response to these lifestyle demands. Whereas in the past, men were satisfied with a simple barbershop service, they now prefer barbershops that offer a cosy, masculine, modern atmosphere and quality services. Barbershops do not only function as a place to get a haircut, but also as a social space, a means of self-actualisation, and a symbol of the urban male lifestyle.

This development opens up great opportunities for the haircutting service sector, especially on the scale of micro, small and medium enterprises (MSMEs). Based on data from the Ministry of Cooperatives and MSMEs, there are around 65 million MSME players in Indonesia, and the service sector such as barbershops is one of the significant contributors to local economic growth and job creation (Pratama et al., 2022).

In the East Surabaya region, the growth of MSMEs was recorded to have increased by 30% compared to the previous year. One of the growing haircut service businesses in the region is Barbershop 99. Since its establishment, Barbershop 99 has opened 10 branches spread across Semolowaru, Semampir, Kelampis, Wonorejo, and Darmokali. Services offered include haircuts, colouring, maintenance, and sales of styling products and hair vitamins. However, the success of a service business is not only determined by external factors such as strategic location and variety of services, but is also greatly influenced by the quality of its human resources (HR).

Barbershop 99 faces various challenges related to workforce competence, including limited technical skills, lack of innovation, irregular work schedules, low motivation, and an unoptimal reward system for loyal employees. This condition has an impact on fluctuations in the number of customer visits throughout 2024. Although there was an increase in visits

in December (661 visits), the inconsistency of service performance is an important note in HR management.

According to Massaid and Winarsih (2024), consumer behaviour is strongly influenced by internal factors such as motivation and perception, as well as external factors such as social environment, technology, and media. Therefore, service organisations such as barbershops are required to understand the dynamics of people's consumption behaviour and adapt their services adaptively. One of the main strategies to address this challenge is through the development of competent, professional and change-responsive human resources.

Winarsih and Hidayat (2022) emphasise that service quality is highly dependent on the ability of individuals in the organisation. Training, work motivation, and performance management are crucial elements in shaping superior human resources. In service sectors such as barbershops, technical competence must be balanced with soft skills such as effective communication, work ethics, and empathy for customer needs. Furthermore, HR development must be carried out in a sustainable manner and be relevant to industry dynamics (Massaid and Winarsih, 2024). Competitive advantage can not only be achieved through price or location strategies, but also through service differentiation based on the quality and uniqueness of labour competencies. In this context, HR can be a strategic asset that becomes a long-term competitive advantage (Brockbank, 1999).

Research on the barbershop industry in Indonesia, particularly with regard to modern men's lifestyles and operational strategies, still shows a number of significant gaps. Previous studies tend to be limited to a single case study approach (Marheineke, 2016), reducing the generalisability of findings to the wider population of barbershop MSMEs.

Moreover, although the lifestyle of modern men has changed drastically and has been shown to be linked to consumer preferences for barbershop services (Fatimah & Rahayu, 2022), the direct influence of this lifestyle on operational strategies and customer satisfaction has not been explored in depth.

In the context of human resource management (HRM), there is a dearth of literature on HR development strategies specifically designed for the MSME barbershop sector, which should be an important element in improving service quality (Herjanto, 2023). This gap is also reinforced by the lack of empirical studies linking HR competencies with customer satisfaction levels, even though this relationship can be the basis for decision-making in operational management.

On the other hand, although technology has become an important aspect in improving efficiency and customer engagement in various service sectors, technology integration in the context of barbershops is still not widely studied (Wahyu et al., 2024). Similarly, there is a lack of research on sustainable business models specifically designed for barbershop MSMEs, which is an urgent need in the midst of increasingly competitive and dynamic industry competition.

Based on this description, it is important for Barbershop 99 to conduct a comprehensive evaluation of the HR development policy that has been implemented. The evaluation includes aspects of technical training planning, increasing work motivation, enforcing work discipline, and providing proportional incentives and rewards. Cultivating the values of loyalty and work responsibility is also an integral part of building a productive organisational culture. By considering the existing challenges and opportunities, this study aims to explore the condition of HR competence at Barbershop 99, identify the factors that influence it, and formulate effective HR development strategies to improve business competitiveness amidst the competition in the haircutting business in East Surabaya. The findings of this study are expected to contribute both theoretically and practically to HR development in the service MSME sector, especially barbershops.

LITERATURE REVIEW

Human Resources

Human resources (HR) is one of the key elements in the organisation that plays an important role in achieving strategic goals. According to Mathis et al. (2017), human resources is seen as a formal system design in organisations that aims to manage individuals in order to contribute optimally. Hasibuan (2017) defines HR as the total capacity derived from the mental and physical abilities of each individual. Sedarmayanti (2018) adds that HR includes the workforce in the organisation that plays a significant role in the success of the organisation.

Rustiawan et al. (2023) describes HR as a population that is ready, willing, and able to contribute to the achievement of organisational goals. Mayo (2016) states that HR is an individual who drives the organisation and functions as an asset that must be trained and developed. In line with this, Šebestová and Popescu (2022) emphasises that HR is the main factor in the company, even more important than the capital factor.

To manage HR potential effectively, organisations need to implement human resource management. Hasibuan (2017) defines it as the management of the cognitive and physical

abilities of individuals. Furthermore, Mathis et al. (2017) state that HR management is a formal system designed to ensure the efficient and effective use of human talent to achieve organisational goals. Gary Dessler (2013) explains that HR management includes the process of acquiring, training, evaluating, compensating, and managing labour relations, health, safety, and fairness in the work environment.

As highlighted by Simamora et al. (2023), HR management includes the activities of utilising, developing, assessing, rewarding services, and managing individuals in the organisation. Alrhaimi and Mugableh (2017) emphasises the importance of quality human resources that are able to create competitive value through intelligence, creativity and imagination, rather than relying solely on manual labour or natural resources.

The functions of HR management are described by Mamatha et al. (2023) in two categories, namely managerial functions and operational functions. Managerial functions consist of planning, organising, directing, and controlling. Meanwhile, operational functions include labour procurement, development, compensation, integration, maintenance, and separation.

The objectives of HR management according to Schuler et al. (in the book Human Resource Management) include: (1) increase productivity, (2) improve the quality of work life, and (3) ensure that the organisation meets applicable legal aspects. In addition, the quality of human resources is also a determining factor for organisational success. Kerwin (2022) asserted that the quality of HR that is marked by knowledge, skills, and abilities is very important to create a professional and effective work team in achieving the vision and mission of the organisation.

Competence

Competence is one of the important factors that determine the success of performance at both the individual and organisational levels. Alrhaimi (2017) noted that competence is a crucial element in achieving optimal performance. Kurz and Bartram (2002) reveal that competencies are characteristics possessed by individuals and used consistently to achieve expected performance. These characteristics include knowledge, skills, self-image, social motives, traits, mindsets, feelings, and abilities in task execution.

Further, Uzer (2005) add that competence is a description of a person's qualifications, both qualitatively and quantitatively. In a broader sense, the Ministry of National Education defines competence as knowledge, skills and basic values that are reflected in habits of

thought and action consistently and continuously, thus enabling a person to become a competent individual.

Mathis et al. (2017) identified three main types of competencies that a human resource practitioner must possess, namely: (1) knowledge of business and organisations; (2) understanding of managerial influence and change; and (3) specific managerial skills. Meanwhile, Sutrisno (2017) cites the results of Setiawati's research (in Sutrisno, 2017) which classifies competence into six indicators, namely: (1) knowledge, namely cognitive awareness in a particular field; (2) understanding, which includes cognitive and affective aspects; (3) values, in the form of behavioural standards that have been believed and integrated into themselves; (4) skills, namely the ability to carry out tasks; (5) attitude, namely emotional reactions to external stimuli; and (6) interest, namely a person's tendency to take an action.

Winarsih and Fariz (2022) divide competencies into two types, namely hard skills and soft skills. Hard skills refer to technical abilities that are directly related to job duties, such as understanding job descriptions and professional appearance. Meanwhile, soft skills include interpersonal abilities such as ethics, social empathy, friendliness, and patience that support optimal work behaviour.

Spencer and Spencer (2008) suggest that there are five main characteristics in competence, namely: (1) motives, which is something that individuals consistently think or want that drives action; (2) traits, which are physical characteristics and consistent responses to various situations; (3) self-concept, which includes attitudes, values, and self-image; (4) knowledge, which is information that individuals have in a particular field; and (5) skills, which is the ability to carry out certain physical tasks. According to Spencer, skills and knowledge belong to the category of competencies that can be observed and are easier to develop through training, while self-concept, traits, and motives are more difficult to develop because they are tacit and long-term in nature.

Competitiveness

Competitiveness is a fundamental concept in the study of strategy and economic development. Tuominen et al. (2004) defines competitiveness as the ability of a company to deal with various environmental conditions in its industry. It emphasises the importance of adaptability and internal strength of the company in competing in a dynamic market. Huggins (2007) adds that competitiveness reflects the ability of an economy to attract and retain firms with stable or growing market share, while maintaining or improving the living standards of all parties involved. Meanwhile, according to Garengo, competitiveness is defined as the

ability to demonstrate good performance in the implementation of organisational functions as a whole.

Porter (2008) state that competitiveness is a relative concept that shows how competitive a company is compared to its competitors in the same industry. Further, Porter (2008) identified several key indicators in measuring competitiveness, namely: first, competitive price, which shows the company's ability to adjust the price of its products to market conditions; second, product quality, which includes the product's ability to perform its functions, such as durability, reliability, accuracy, ease of use, and maintenance; and third, flexibility, which is the company's ability to produce a variety of products and adjust to changes in the external environment.

Adding a more contemporary perspective, Parakhina et al. (2017) states that competitiveness has four main characteristics in the context of strategic management. First, competitiveness is long-term oriented, meaning that organisations must be able to design sustainable strategies. Second, competitiveness is controllable, which means it comes from managing internal resources and capabilities that are adaptive to external conditions. Third, competitiveness is a relative concept that depends on comparisons with other organisations. Fourth, competitiveness is dynamic, because it involves a transformation process from competitive potential to actual and superior results. Thus, competitiveness can be understood as a strategic capability rooted in internal efficiency and adaptive response to external dynamics.

RESEARCH METHOD

This research uses a descriptive method with a qualitative approach. The purpose of this method is to describe and explain a phenomenon systematically, then classify it in order to draw relevant conclusions. According to Hasan et al. (2023), a qualitative approach is used to gain an in-depth understanding of social phenomena through the analysis of non-numerical data, such as the results of interviews, observations, and written documents. Meanwhile, Moleong (2017) stated that qualitative research aims to understand the phenomena experienced by research subjects such as behaviour, perceptions, motivations, and actions holistically, through descriptions in the form of words and language in a natural context by utilising various natural methods. Researchers assume that this approach is appropriate to provide an overview of the actual conditions or situations that are happening, so that it can help in the contextual problem-solving process. Thus, this research focused on identifying and analysing the problems that existed at the time of the research.

Data collection in this study was conducted through interviews and observations. The informants in this study were 30 employees of Barbershop 99 located in East Surabaya. Interviews were conducted directly by posing questions to respondents, while recording their answers and expressions for in-depth analysis. Observation was conducted by directly visiting the research location to observe the ongoing activities and collect data empirically. In addition, a questionnaire technique was also used, namely by providing a set of written questions to be filled in by the respondents.

The data analysis technique used was qualitative analysis. This analysis is done by answering questions such as 'what', 'why', and 'how' a phenomenon occurs. According to Miles & Huberman (1992), qualitative data analysis involves three main stages: data reduction, data presentation, and conclusion drawing/verification. This process takes place interactively and continuously until the data collected reaches the point of saturation.

RESULTS AND DISCUSSION

Human Resources Competence Condition in Barbershop 99 East Surabaya Region

Based on the results of interviews conducted with a number of Barbershop 99 employees in the East Surabaya area, the condition of human resource (HR) competencies in these places can be categorised at a fairly good to high level. The majority of barbers demonstrate mastery of modern haircut techniques such as fade, undercut, blending, crop cut, and grooming services that are relevant to current trends. This indicates that the technical competence aspect of barbers at Barbershop 99 is quite capable and able to keep up with the dynamics of changing customer needs. Senior barbers, who have worked for many years in the industry, demonstrate a high level of professionalism, not only in terms of skills, but also in terms of communication, customer service, and time management. They are able to provide haircut solutions according to the customer's face shape and preferences, which is a plus point in facing the competition of barbershop businesses in urban areas such as East Surabaya. However, the findings also reveal a competency gap between senior barbers and junior barbers.

New employees, especially vocational school graduates, are still in the learning phase and are often not confident enough when facing customers with special requests or uncommon haircut styles. In fact, some cases have seen incidents of technical errors that have resulted in a decline in the confidence of novice barbers. To bridge this gap, Barbershop 99 has implemented a regular training system that takes place every two to three months. The training focuses on the latest haircutting techniques and customer service approach.

While this initiative has been appreciated by most employees, especially senior barbers, some junior barbers feel that the frequency of training is still insufficient and the material presented does not address the technical issues they face in the field.

Therefore, there is a need for a more intensive coaching approach, such as direct mentoring and regular practice with senior supervision. The work culture at Barbershop 99 is also an important aspect in supporting competency improvement. The open work environment for criticism and suggestions, the habit of sharing new techniques among employees, and the spirit of self-learning through social media, YouTube, and the barber community create a dynamic informal learning atmosphere. This reinforces the statement that competency improvement comes not only from formal training, but also from a collaborative and supportive work culture.

To support the improvement of HR competencies, the following is presented data on technical training that has been organised by Barbershop 99 throughout 2024:

Table 1. Frequency and Type of Barbershop 99 Employee Training in 2024

No	Type of Training	Duration (hours)
1	Modern Haircutting Techniques	4 hours
2	Contemporary Grooming & Styling	5 hours
3	Customer Handling & Soft Skills	3 hours
4	Advanced Fade & Blending	4 hours
5	Korean Style & Taper Technique	5 hours
6	Refreshment & Performance Evaluation	2 hours

Based on the data shown in Table 1, Barbershop 99 has consistently conducted training programmes for employees throughout the year. The types of training organised reflect the diverse focus of competency development, covering aspects of technical skills as well as non-technical capabilities. One form of training provided was a modern haircutting technique attended by a number of barbers with a training duration of up to four hours. The training aimed to align employees' technical skills with the evolving trends of contemporary hairstyles.

In addition to strengthening basic technical competencies, other training also focuses on advanced techniques such as more complex blending and tapering, as well as contemporary haircut styles favoured by the younger generation. On the other hand, soft skills training such as customer handling and communication skills are also provided to employees as part of the effort to improve the quality of interactions between barbers and customers. This is in line with the needs of the service industry which places service quality

as a key factor in maintaining customer loyalty. There is also reflective and evaluative training, which focuses on strengthening work culture and increasing employee accountability for their performance. This training is comprehensive and involves all employees in an effort to build collective awareness of service standards and professional work ethics.

Overall, the implementation of regular and targeted training shows that the management of Barbershop 99 has a strategic commitment to human resource development. The increasing number of participants in each training session reflects the employees' enthusiasm for competency improvement, as well as indicating the effectiveness of the management's approach in fostering an adaptive, skilled and competitive workforce. Thus, the training conducted not only had an impact on improving individual skills, but also contributed significantly to the competitiveness of Barbershop 99 in the haircutting service industry.

Factors Affecting the Improvement of HR Competence

The results showed that improving the competence of human resources at Barbershop 99 is the result of the synergy of various internal and external factors that complement each other. First, regular training organised by the management plays a role in maintaining the actualisation of barber techniques towards the development of haircut trends. This training usually presents professional trainers from outside as well as experienced internal instructors. Second, hands-on work experience is the main vehicle for barbers to hone their skills. Every day, barbers face different types of customers with various requests for cut styles, so they are indirectly encouraged to continue learning and adapting. Intensive interaction with customers also trains interpersonal communication skills, self-confidence, and the ability to understand customer needs more personally. Third, interactions between employees play a major role in creating informal knowledge transfer. The barbers actively discuss, try new techniques together, and give each other feedback.

This supportive work environment reinforces collaborative learning that accelerates competency improvement, especially for junior barbers. Fourth, intrinsic motivation is an important element in encouraging barbers to keep improving. Many barbers independently search for the latest hairstyle references through social media and video tutorials, indicating a strong desire to get better. This motivation is an important foundation in creating adaptive, creative and innovative human resources. Nonetheless, challenges remain. Some budding barbers feel that training is still too generalised and does not fully address their specific needs.

Therefore, a more individualised and contextualised approach to training is needed for the competency improvement process to be effective.

Table 2. SWOT Analysis of Training and Challenges in Competence Development
Internal

<div>Internal External</div>	Strengths (S)	Weaknesses (W)
Opportunities (O)	Regular training with professional and in-house instructors. Diverse hands-on work experience. Active interaction between employees for knowledge transfer. High intrinsic motivation for self-learning.	Training is still general, not specific to beginner barbers. Lack of individualised and contextualised training approach.
Threats (T)	Evolving haircut trends can be utilised for innovation. Digital technology and social media as a source of learning and promotion. Potential for collaboration and a stronger learning community.	Intense competition in the barbershop industry. Trends change quickly, skills can become obsolete. Risk of demotivating novice barbers if training is not appropriate.

In terms of internal strengths, regular training with professional and internal instructors provides a strong foundation for the barbers to improve their skills. Diverse work experiences and active interaction among employees in transferring knowledge are also important factors that support continuous competency improvement. In addition, the barber's high intrinsic motivation for self-learning strengthens their resilience and enthusiasm in facing work challenges. However, there are weaknesses in the training that is still general in nature and has not been specifically tailored for novice barbers, so the individualised and contextual approach in training is still lacking, which could potentially reduce the effectiveness of learning for new participants. In terms of external opportunities, the growing trend of haircuts can be utilised as an opportunity for product and service innovation.

In addition, advances in digital technology and social media are becoming an easily accessible source of learning as well as an effective promotional tool to increase the visibility and appeal of barbershops. The potential for collaboration and a strong learning community also opens up space for a wider exchange of knowledge and experience. However, the barbershop industry faces the threat of intense competition and rapidly changing trends,

which risk making barbers' skills obsolete. Another significant threat is the risk of demotivation for novice barbers if the training provided is not appropriate to their needs and context, which can affect labour performance and retention. Thus, managing strengths and opportunities must be balanced with efforts to improve internal weaknesses and anticipate external threats so that human resource development in barbershops can be effective and sustainable.

Strategies for Improving HR Competence to Increase Competitiveness

Barbershop 99 strategically implements various approaches in improving HR competencies to create a competitive advantage. The main strategy implemented is continuous technical training, both internally and by bringing in professional trainers from outside. The aim is to keep barbering techniques up-to-date and improve customer service. In addition, Barbershop 99 also implements a career ladder development system. Employees who perform well have the opportunity to move up from junior to senior barbers, and even become branch heads. This opportunity is not only a non-financial incentive that encourages employees to grow, but also creates a healthy and competitive organisational structure. Another strategy implemented is the daily challenge and incentive system. Certain targets are given to employees to encourage them to be more active in improving performance. This is also accompanied by a reward system, such as performance bonuses or mentoring opportunities for junior barbers.

This strategy has proven effective in maintaining employee morale and loyalty. Coaching through internal mentoring is also an important part of the development strategy. Senior barbers actively mentor novice barbers through workshop sessions, joint practice, and technical discussions. This approach allows for faster and more contextualised knowledge transfer in accordance with field realities. However, there are different perceptions of the effectiveness of this strategy. Some barbers felt more comfortable learning through hands-on experience rather than formal training. This indicates that Barbershop 99 needs to implement a more flexible and adaptive approach according to each individual's learning character.

To determine employee perceptions of the effectiveness of the training provided, an internal questionnaire was distributed. The results of employee responses can be seen in the following table:

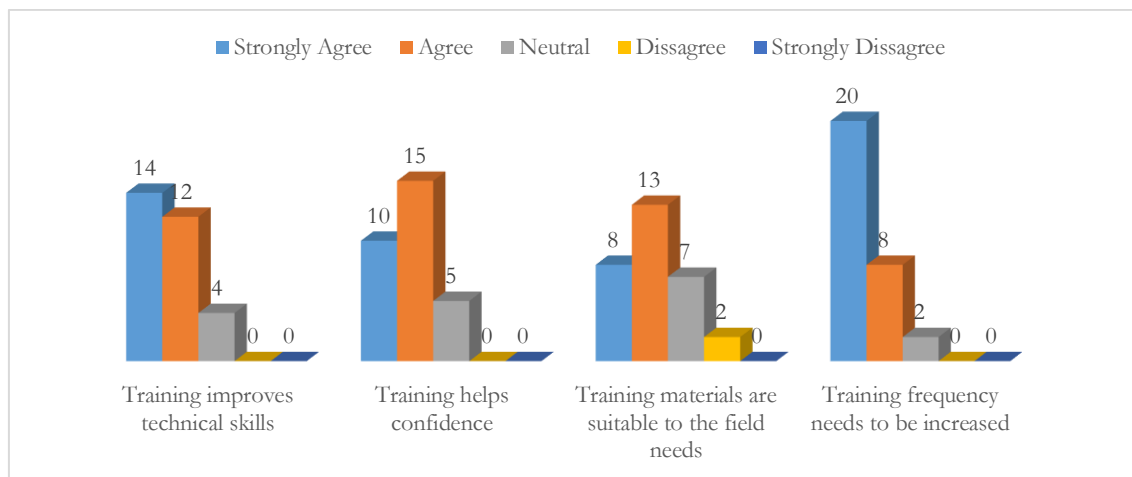


Figure 1. Employee Perceptions of Training Effectiveness

Source: Data processed, based on Internal Questionnaire, N=30

The results of measuring employees' perceptions of the effectiveness of the training organised at Barbershop 99 showed a predominantly positive response. A total of 14 out of 30 respondents strongly agreed that the training provided improved technical skills, while 12 people agreed, and only 4 people were neutral. There were no respondents who disagreed or strongly disagreed, indicating that the training was effective in improving technical competence.

On the aspect of increasing self-confidence, 10 people strongly agreed and 15 agreed, while 5 people were neutral. This indicates that training also has a positive impact on the psychological aspects and professionalism of employees, especially in dealing with customers and making service decisions.

As for the suitability of training materials to the needs of the field, although the majority of respondents still gave a positive assessment (8 strongly agreed and 13 agreed), there were 7 respondents who were neutral and 2 who disagreed. This data suggests that there is room for improvement, particularly in the tailoring of training content to the technical challenges faced by barbers in the field.

Meanwhile, on the training frequency aspect, the majority of respondents (20 people) strongly agreed that training should be increased in intensity, and 8 people agreed. Only 2 people were neutral and there were no respondents who rejected the idea. This finding corroborates that there is an internal drive from employees to obtain more frequent and continuous training as part of their self-development efforts.

Overall, this data shows that the training conducted has had a positive impact on employees' work skills and attitudes, although periodic evaluation and material adjustments are still needed to make the training more contextual and responsive to operational needs.

The Impact of Improving HR Competencies on the Competitiveness

The increase in HR competence directly has a positive impact on the competitiveness of Barbershop 99, especially in the competitive East Surabaya area. Improved service quality is not only evident from neater and more precise haircuts, but also from improved work ethics, interpersonal communication, and customer satisfaction. Increased competence also improves operational efficiency. With better technical skills, barbers are able to complete jobs faster without compromising service quality. This efficiency enables increased productivity and daily customer volume, which directly impacts turnover and business competitiveness. In addition, good competence also promotes customer loyalty. Satisfied customers will not only return, but also recommend Barbershop 99 to others. This domino effect strengthens Barbershop 99's brand image and position as a quality service provider in the eyes of consumers.

Another impact is increased employee confidence. Confident barbers tend to be more innovative, open to new challenges, and show initiative in service. This confidence is an important asset in shaping a work culture that is progressive and responsive to market changes. Theoretically, this finding is in line with Human Capital Theory (Becker, 2009) which emphasises that investment in improving the quality of human capital will result in higher productivity and sustainable competitive advantage. In the context of Barbershop 99, human capital is the main asset that determines how the service is received by customers and how the business survives in the midst of competition.

The tangible impact of improving HR competencies can be observed through a number of operational indicators that have improved from the first semester to the second semester of 2024, as shown in the following table:

Table 3. Comparison of Operational Indicators Before and After HR Competency Improvement

Indicator	Before	After	Description
Average number of customers per month	495 customers	650 customers	31.3% increase
Average turnover per month	IDR46,000,000	Rp61,500,000	Increase of 33.7%
Average customer satisfaction score (1-5)	3,6	4,3	Based on feedback form
Customer complaints related to technical services	8 complaints/month	2 complaints/month	Reduced by 75%
Junior barber promoted to senior level	3 people	7 people	Based on manager performance evaluation
Number of formal trainings attended	2 times	4 times	First vs. second half

Based on quantitative data from the first and second semesters of 2024, it can be seen that the HR competency improvement programme at Barbershop 99 had a positive impact on operational performance and business competitiveness. The average number of customers per month increased by 31.3%, from 495 to 650 people, which was accompanied by a 33.7% increase in turnover, from Rp46,000,000 to Rp61,500,000. This increase indicates improvements in service quality and work productivity.

In addition, customer satisfaction scores increased from 3.6 to 4.3 (scale 1-5), while the number of complaints related to technical services decreased significantly, from 8 to 2 complaints per month. This reflects that the training provided had a real impact on the barber's technical skills and interpersonal service. Internally, the number of junior barbers promoted to senior level increased from 3 to 7, as the frequency of formal training increased from 2 to 4 times per semester. This data indicates that investment in HR development not only improves individual performance, but also strengthens the organisational structure and overall competitiveness of the business. This finding is in line with the Human Capital theory that places HR as a strategic asset in achieving sustainable competitive advantage.

The results of this study on the condition of human resource competencies in Barbershop 99 in East Surabaya have important implications both practically and theoretically. Practically, the findings confirm that improving the technical and non-technical competence of employees is a key factor that determines the operational success and competitiveness of barbershop businesses in the midst of increasingly competitive market competition. Mastery of modern haircutting techniques and good customer service skills not

only improve the quality of work output, but also strengthen customer loyalty and a positive image of the company. Therefore, the management of Barbershop 99 needs to continue to prioritise the development of HR competencies on an ongoing basis through more intensive, structured and tailored training programmes, especially for junior barbers who are still in the learning stage. In addition to formal training, the implementation of a mentoring system and direct coaching from senior barbers is highly recommended to accelerate the knowledge transfer process and increase the confidence of new employees.

The research also indicates that a collaborative and supportive work culture is crucial in supporting informal learning and competence development. Therefore, management should strive to create a work environment that is open to criticism, innovation and knowledge sharing among employees. This approach not only enhances barbers' intrinsic motivation to keep learning and adapting to the latest trends, but also fosters a spirit of collectivity that strengthens organisational structures. In this context, the use of social media and digital platforms as self-learning tools can be further optimised to support continuous learning.

Theoretically, the results of this study reinforce the concept of Human Capital Theory that places improving the quality of human capital as a strategic investment that contributes directly to increasing productivity, innovation and organisational competitive advantage. Thus, competency development should not be viewed as a mere cost, but rather as a long-term strategic effort that will generate significant added value for Barbershop 99, particularly in maintaining and expanding market share in the East Surabaya area. Another important implication is the need for periodic evaluation of training effectiveness, both in terms of material and frequency, so that HR development programmes can be more responsive to operational challenges in the field.

Improved HR competencies followed by improved operational performance and customer satisfaction indicate a positive relationship between human resource development and overall business success. This confirms that investment in both technical training and soft skills development should be a priority in Barbershop 99's human resource management strategy. Implementation of a fair career path, reward and incentive system also plays an important role in maintaining employee motivation and loyalty, thereby strengthening a productive and innovative work culture. In other words, professional and strategic human resource management can be a key differentiator that allows Barbershop 99 to excel in an increasingly dynamic and competitive market.

Overall, the implications of this study provide a comprehensive overview for the management of Barbershop 99 to continue developing policies and programmes that support the overall improvement of HR competencies. This is essential to ensure sustainable business growth, improve competitiveness, and provide services that meet customer expectations in a rapidly changing modern era. In addition, this research can also serve as a reference for other barbershop businesses that want to optimise human resource management as the key to their business success.

CONCLUSIONS

Based on the results of the research that has been conducted, it can be concluded that increasing the competence of human resources (HR) in Barbershop 99 in East Surabaya is a strategic factor that plays a very important role in building and maintaining business competitiveness. Management consistently implements a strategy of strengthening technical skills, professional development, and the establishment of a collaborative work culture as the main foundation in supporting service quality improvement. Regular technical training is an important pillar to ensure that barbers are able to keep up with the latest haircut trends and provide high-quality services. In addition, career paths, daily challenges, incentive systems and mentoring from senior barbers have proven effective in encouraging employee enthusiasm and loyalty.

The increase in HR competence has a positive impact on professionalism and confidence in serving customers, better work efficiency, and the creation of harmonious relationships with customers which leads to loyalty and increased repeat visits. Furthermore, a work atmosphere that supports collective learning and innovation is also a supporting factor for the success of Barbershop 99 to survive and compete in a competitive industry in the East Surabaya area. Thus, superior HR competence can be considered as the main foundation that sustains Barbershop 99's competitive advantage in the long run.

As a follow-up to the findings of this study, there are several suggestions that are expected to be used as a reference for the future development of Barbershop 99. Firstly, the management needs to periodically expand and adjust the training materials to be in line with the latest trends in barbering and the needs of customers in the East Surabaya area. Training materials should not only cover technical aspects of haircutting, but also soft skills such as effective communication, customer management, and complaint handling. Secondly, the frequency and intensity of coaching should be increased, for example by adding more intensive weekly or monthly practice sessions, especially for barbers who are still junior.

Furthermore, the development of a regular competency evaluation system is very important to measure the development of employee abilities, so that training and coaching can be adjusted to the real needs in the field.

In addition, all Barbershop 99 employees are encouraged to increase their self-learning initiatives by utilising various learning resources such as social media, video tutorials, and barber community forums. This proactive attitude will accelerate the mastery of skills required in daily work. Junior employees are also advised to make optimal use of guidance and mentoring from senior barbers, while senior barbers should openly share their experiences and techniques to create an educative and supportive work environment. It is also important for all employees to continue to maintain ethics and professionalism in service, by maintaining a friendly, communicative, and responsive attitude to customer needs, in an effort to increase customer loyalty and satisfaction.

For long-term development, Barbershop 99 may consider establishing a special team that focuses on internal human resource development, including training design, mentoring, and systematic competency evaluation. In addition, encouraging employee participation in various local and national competitions and events will provide dual benefits, namely increased confidence and broadening horizons, while strengthening Barbershop 99's reputation as a competitive brand outside the East Surabaya area. With the implementation of these suggestions, it is expected that Barbershop 99 will be able to strengthen its competitiveness in a sustainable manner through the management of human resources that are competent, adaptive, and ready to face the growing dynamics of the modern service industry.

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