

**HR DEVELOPMENT PERSPECTIVE ON THE ECONOMIC GROWTH OF
RURAL BANKS IN INDONESIA IN THE SOCIETY 5.0 ERA**

**PERSPEKTIF PENGEMBANGAN SDM TERHADAP PERTUMBUHAN
EKONOMI BANK PERKREDITAN RAKYAT DI INDONESIA PADA ERA
SOCIETY 5.0**

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ABSTRACT

One of the banking businesses in Indonesia is Rural Banks requiring tough human resources (HR) with appropriate competence. The activity of managing and developing human resources (HR) is an important and strategic thing in HR management in a Rural Bank (BPR). The purpose of this research are to find the point of skill improvement, competence improvement, human resources' skill transformation into work system, human resources' capability improvement, industry society 5.0-based human resource development and economic growth. This research employed a descriptive quantitative method through path analysis using SPSS 22. The purposive sampling technique, 95 workers of the population were taken using questionnaires distributed via email. The results of this study demonstrated that the improvement of human resources (HR) skills, competence, and skill transformation to the work system positively and significantly affected the increase in HR's capabilities in the Rural Banks throughout Indonesia, and these three variables had an effect on HR development in the Rural Banks based on Industry Society 5.0. Simultaneously, the improvement of HR's skills, competence, and the skill transformation to the work system had a positive and significant impact on HR development based on Industry Society 5.0 in the Rural Banks throughout Indonesia through the increase in HR's capabilities as an intervening variable

Keywords: industry society 5.0, human resources, rural banks, development, capability, improvement, economic growth

ABSTRAK

Salah satu bisnis perbankan di Indonesia adalah Bank Perkreditan Rakyat (BPR) yang membutuhkan sumber daya manusia (SDM) yang tangguh dan memiliki kompetensi yang sesuai. Kegiatan mengelola dan mengembangkan sumber daya manusia (SDM) merupakan hal yang penting dan strategis dalam pengelolaan SDM di Bank Perkreditan Rakyat (BPR). Tujuan dari penelitian ini adalah untuk menemukan titik peningkatan keterampilan, peningkatan kompetensi, transformasi keterampilan sumber daya manusia ke dalam sistem kerja, peningkatan kapabilitas sumber daya manusia, pengembangan sumber daya manusia berbasis masyarakat industri 5.0 dan pertumbuhan ekonomi. Penelitian ini menggunakan metode kuantitatif deskriptif melalui analisis jalur dengan menggunakan SPSS 22. Dengan teknik purposive sampling, 95 pekerja dari populasi diambil dengan menggunakan kuesioner yang disebarakan melalui email. Hasil penelitian ini menunjukkan bahwa peningkatan keterampilan sumber daya manusia (SDM), kompetensi, dan transformasi keterampilan ke sistem kerja berpengaruh positif dan signifikan terhadap peningkatan kapabilitas SDM di BPR seluruh Indonesia, dan ketiga variabel tersebut berpengaruh terhadap pengembangan SDM di BPR berbasis Industry Society 5.0. Secara simultan, peningkatan keterampilan, kompetensi, dan transformasi keterampilan ke dalam sistem kerja berpengaruh positif dan signifikan terhadap pengembangan SDM berbasis Industry Society 5.0 di Bank Perkreditan Rakyat di seluruh Indonesia melalui peningkatan kapabilitas SDM sebagai variabel intervening.

Kata Kunci: Masyarakat Industri 5.0, Sumber Daya Manusia, Bank Perkreditan Rakyat, Pengembangan, Kapabilitas, Peningkatan, Pertumbuhan Ekonomi

INTRODUCTION

Changes in the business world are fast, making human resource management more challenging in an organization. Human resource

management is expected to increase the ability and motivation to have a more competitive performance for the company (Hafeez & Akbar, 2015) state that. one of the responsibilities of human resource management is to ensure that

every employee has an effective performance and also has an effective performance and also has a fairly good performance. Banking is a fundamental industry in Indonesia because it is the core of economic activities. If the banking industry experiences problems, then the economic activities in Indonesia will be disrupted, even the Indonesian economy can encounter a crisis like what happened in 1998. One of the banking businesses in Indonesia is Rural Banks requiring tough human resources (HR) with appropriate competence. The activity of managing and developing human resources (HR) is an important and strategic thing in HR management in a Rural Bank (BPR).(Noverius Laoli, 2021). Rural Bank BPR is a place where it is one type of rural credit bank, which is known to many people to serve small and medium-sized businesses with a location that is generally close to where people need it, and easy to reach according to their needs (strategic location). In distributing credit to the public, the 3T principle is used, namely on time, in the right amount, and on target(Rusmahadewi & Darma, 2018).(Noverius Laoli, 2021) Based on the data it is revealed that BPR managed to score a positive growth of 3.01% year on year (yoy) to Rp 113.87 trillion in July 2021. BPR Third Party Funds (DPK) grew 10.21% to reach Rp 111.21 trillion and assets increased by 7.99% yoy to Rp 159.87 trillion.

(Ramli, 2021) in the end, the role of the monetary sector can be understood through the banking industry, which has a crucial role in the economy, which can become an intermediary medium that channels public funds towards investment in productive assets that will encourage real sector productivity, capital accumulation, and growth in aggregate yields. The people's credit bank (BPR) and sharia people's credit

banks (BPRS) industry still recorded positive performance despite being under pressure from the Covid-19 pandemic. This is reflected in credit, assets, and third party funds (DPK) which are still growing positively until the third quarter of 2021. The Financial Services Authority (OJK) noted that BPR and BPRS credit or financing reached Rp. 126.12 trillion by the end of September 2021, growing 4.33 percent on an annual basis (year on year / yoy). Also read: OJK Launches OBox for BPR and BPRS, What's that? In terms of funding, the total collection of BPR and BPRS deposits grew 11.27 percent yoy, to Rp 123.76 trillion by the end of September 2021. The total BPR and BPRS also grew 8.9 percent yoy to Rp 178.4 trillion. BPR credit growth was also followed by a relatively well-maintained ratio of non-performing loans (NPL), with a gross NPL of 7.53 percent and a net NPL of 5.02 percent until the end of September 2021. As for BPRS, the ratio of bad financing (non-performing financing (NPF) recorded a slight increase from gross NPF of 7.24 percent and net NPF of 5.85 percent at the end of December 2021, to 7.94 percent gross NPF and 7.56 percent net NPF at the end of September 2021. The BPR industry is also recorded to have good capabilities, with a loan to deposit ratio (LDR) of 74,9 percent at the end of September 2021, an increase from 75.44 from last year's position. In contrast to BPRs, the liquidity conditions of the BPRS industry are very tight, with a financing to deposit ratio (FDR) of 106.2 percent in the third quarter of 2021, a slight decrease from 108.78 percent in December 2021.

Along with Indonesia's economic growth, BPR has a very urgent role in improving the quality of human resources. With this economic growth and leading to a more complex industrial

climate change.(Zen et al., 2021)stated that the emergence of industrial change, namely Society 4.0, known as the Industrial Society through the use of Information Technology in creative and productive ways, In the information society, the resources that are processed are information, the last one is Society 5.0 which is a concept of society which is human-centered and technology-based which was first proposed by Japan which was written as one of the concepts in anticipating various things, especially the modern "Super" society with its various challenges, artificial intelligence, demographics which are dominated by the elderly population, the necessity to use renewable energy sources which are very small, causing problems in human resource management.(Intan Fandini & Sunariani, 2020)stated that the applicable BPR development or improvement strategy to help realize BPR can become a bank that plays an important role in the nation's economic development process, one of which is institutional strengthening.

(Yasa et al., 2021) A process that is an important part of HR planning is planning development by concentrating on education and training, transition and promotion, and filling vacancies in positions that require experienced experts. In essence, Building HR Apparatus includes the development of superior self-competence within the HR apparatus itself in accordance with the tasks and activities carried out and aims to develop aspects of superior intelligence, superior abilities, and superior mental attitudes. (Hendarsyah, 2019) The banking industry in Indonesia must develop HR based on Industry Society 5.0. HR development is more emphasized to increase skills in carrying out work now and especially in the future, this is carried out through an integrated approach with other activities

to change work attitudes. Human resource development is the process of preparing individuals to assume different or higher responsibilities within the organization, usually related to increasing intellectual abilities to carry out better jobs.(Intan Fandini & Sunariani, 2020)When in the industrial era 4.0, all information collected through the network will be analyzed directly by humans, entering the era of society 5.0 most of the amount of information from sensors in physical space will be accumulated into one in cyberspace which will be analyzed using artificial intelligence where the results of the analysis will be via feedback will be given back to humans who are in physical space in various forms that are generated.(Shah, 2021) The fact is that human resource entities in their role in Rural Banks so far have only focused on the need for diverse human resources and have not prioritized the special skills and competencies possessed by each Rural Bank employee.(Herli, 2013)The fat and complex institutional structure of Rural Banks not only makes Rural Banks inefficient, but also makes Rural Banks ineffective when there are so many distributed powers that cause these institutions to overlap and clash with one another.

(Herli, 2013; et al., 2020) The rural banks must also develop human resources to face the era of changes and work transformation 4.0. It means the banking industry must prepare competent and skillful human resources adaptable to the changes in work currently experienced by all industries, namely digital 4.0-based work transformation.([BPS] Central Bureau of Statistics, 2021)The number of workers (HR) in the Rural Banks throughout Indonesia is presented in Table 1.

Table 1. Number of Workers (HR) in the Rural Banks throughout Indonesia in 2016-2021

No	year	The Number of Workforces in Indonesia (People)	The Number of Workers Hired in Banking Industry (People)	The Number of Workers in the Rural Banks (People)
1	2017	118,411,973	27,980,749	3,978,862
2	2018	121,022,423	30,098,276	4,683,292
3	2019	126,282,186	39,046,452	6,548,090
4	2020	128,755,271	41,523,575	6,930,285
5	2021	131,064,305	37,222,262	6,085,840

Source: Central Bureau of Statistics, 2021

Based on Table 1, the number of workers in the Rural Banks decreased in 2016-2021. This decline was caused by some factors including the presence of unskillful human resources lack of competence. In addition, the banks have not transformed the human resources into work systems and ways of working in the 4.0 era, thus leading to the human resources' less capabilities. In particular, the focus is on the following key concepts which are parallel aspects of the society: "a human-centered society," "Merging cyberspace with physical space," "a knowledge-intensive society," and "a data-driven society ." Understanding these four concepts enables us to develop the approach required to make Society 5.0 a reality (Deguchi et al., 2020). (Cascio, 2010; Misbah & Budiyanto, 2020), In other words, industry-based human resources development has not been carried out properly. As a result, the existing human resources could not improve their skills and competence, so they cannot compete with other human resources in other regions and countries. Human resources who master science and technology and develop it so that they have conceptual and technical capabilities that can be contributed to improving the quality of educational processes and products.(Zen et al., 2021)Indicators of HR development through industry society 5.0 are skill improvement, competence improvement, Human Resources' Skill

Transformation into Work System and Human Resources' Capability Improvement.

THEORETICAL BACKGROUND

Rural Bank

Rural Banks (BPRs) are bank financial institutions that can accept deposits in the form of savings, time deposits and or other equivalent forms and channel funds to improve people's living standards. BPR conducts business activities through conventional principles or based on sharia principles which in their activities do not provide services in payment traffic (Herli, 2013). According to (Totok Budisantoso & Nuritomo, 2018)states that the business activities that can be carried out by BPR are: collecting funds from the public in the form of savings, deposits in the form of time deposits and/or other equivalent forms, providing credit, providing financing and placing funds based on sharia principles in accordance with regulations. determined by Bank Indonesia, placing the funds in the form of Bank Indonesia Certificates (SBI), savings and/or time deposits with other banks.(Herli, 2013; Nugroho, 2015)In addition to the activities that can be carried out by the BPR, there are also activities that cannot be carried out by the BPR as follows: accepting deposits in the form of demand deposits, conducting business activities in foreign currencies, making capital investments d. carry out insurance, carry out other businesses outside the business activities as referred to in the RB business activities.(Totok Budisantoso & Nuritomo, 2018) Based on these business activities and the prohibitions that have been determined, in general, rural banks have more limited activities than commercial banks. Commercial Banks may collect funds in the form of deposits from the public in the form of savings, time deposits and

demand deposits, while rural banks are not allowed to collect funds in the form of demand deposits, nor are they allowed to participate in payment traffic. Commercial Banks can also conduct business activities in foreign currencies, while BPRs are not allowed. Commercial Banks can make equity participation in financial institutions and to overcome bad loans, while BPRs are not allowed to invest at all.

Skill Improvement

(Cotes & Ugarte, 2021) skill improvement is one of the efforts carried out by the community in upgrading the human resources' skills measurably so that they have qualified competence to conduct the assigned jobs.(Gnanlet & Yayla-Kullu, 2013; Malik, 2019) HR' skill improvement is prioritized for soft and hard skills to enable HR to compete with competent competitiveness, not only in their fields but also their ability to analyze problems. Skill development includes several important attributes, such as identifying skill gaps and allowing you to develop skills to reach your goals. In other words, it refers to a systematic and sustainable effort to improve the ability to carry out work-related activities.(Sharma & Taneja, 2018) Skill development is through deliberate, systematic, and sustained efforts to smoothly and adaptively perform complex activities or work functions, including ideas (cognitive skills), things (technical skills), and/or people (interpersonal skills).(Schuler & Jackson, 2005) Acquired abilities and abilities. Competency development is a way to identify competency gaps and improve these skills. Improves human ability to perform work-related activities and contributes to the effective execution of tasks. It can be a form of intimacy; knowledge is learned through detailed and repetitive experiences. Both skills

help people succeed in their work and progress in most professions. Qualification programs have a positive effect on both employers and employees.(Martono & Putri, 2018; Nasir & Mahmood, 2018) Access to quality skill development programs and courses enables participants to improve employability, improve their career prospects, and achieve strong personal growth. They can gather the latest relevant knowledge about their field and complete the task in less time with more results. Improves the level of performance as well as confidence and performance.(Cotes & Ugarte, 2021) Having a skilled workforce means being driven by motivated people who share a common vision of success. By enabling employees to acquire important skills, it helps them retain their employees and help companies establish a long-term competitive advantage.

Competence Improvement

(Marroof et al., 2019) competence improvement is one of the efforts undertaken by a company to improve its human resources' ability in accordance with its fields.(Adetutu et al., 2020),the priority of HR's competence improvement is increasing human resources in their fields based on their positions and duties assigned, thus these human resources can support the company in achieving its goals on the right track.(Predy et al., 2019; Reza, 2016)There are several objectives of human resource development, including: increasing competence conceptually and technically; increase work productivity; improve efficiency and effectiveness; improve work status and career; improve service to clients; improve moral-ethical; and improve welfare. That is, human resources who master science and technology and develop it so that they have conceptual and technical

capabilities that can be contributed to improving the quality of educational processes and products.(Predy et al., 2019)The purpose of developing human resources is to improve conceptual and technical competence; increase work productivity; improve efficiency and effectiveness; improve work status and career; improve service to clients; improve moral-ethical; and improve well-being.(Rohida, 2018; Sudarmanto, 2015) Human resources who master Science and Technology and develop it so that they have conceptual and technical capabilities that can be contributed to improving the quality of educational processes and products.

Human Resources' Skill Transformation into Work System

(Hidayat et al., 2020; Riyadi, 2021)HR's skill transformation into a work system is one of the efforts executed by a company and the HR to blend in and adapt to different work systems due to job demands requiring changes in the work system.(Adji, 2014; Deguchi et al., 2020; Korukcu & Kukulu, 2016)HR's skill transformation into the work system requires companies to easily develop their HR into reliable HR so they are ready to support the company in reducing the risks and achieving its goals.(Mathis & Jackson, 2012; Riyadi, 2021)Human Resource Management (HR) should be a driving force for changes in HRM practices to play a strategic role in preparation, so that management in organizational structure, organizational culture construction, HR strategy development, training and development program development, employee evaluation and employee compensation systems.(Malik, 2019; Novianti, 2018)There are three reasons why HRM needs to activate the transformation of its organizational structure, namely the increasingly fierce

competition, the organization must be able to reduce costs. Organizations can reduce costs by eliminating non-value-added labor. Increasingly fierce competition requires organizations to provide high-quality services. Higher service quality must be supported by improved service quality throughout the organization, including human resources(Du et al., 2010).(Cotes & Ugarte, 2021; Martono & Putri, 2018)Human resources need to serve quickly and appropriately to other departments in the organization and can support a successful transformation Organizational structures, processes, and HR information systems need a total revision. Traditional HR systems These tend to be cumbersome, inefficient, complex, poorly integrated, easy to use and inflexible. Ideally, the HR system should be designed as a well-integrated system.(Handoko, 2011)Traditional bureaucratic management practices need to be changed to support the success of organizational transformation. As a general rule, all changes that apply to an Organization and change management process must include two basic ideas: a redistribution of power within the organizational structure, and this redistribution arises from the process of change and the development of human resources.

Human Resources' Capability Improvement

(Amaral et al., 2013; Dubey & Tanksale, 2022) HR's capability improvement is one of the efforts carried out by a company in increasing its HR's abilities to be worthy and proper in conducting the jobs assigned, thereby enhancing their and the company productivity.(Zhang & Stewart, 2017; Zhao et al., 2021),the workforce' capability improvement must rely on the extent to which the human resources'

capabilities are appropriate to obtain the duties from management, thus HR can support the management in increasing productivity and achieving the goals and objectives set by the company. (Jos, 2017; Novianti, 2018) Public organizations need to know the unique strategic orientation of a public sector organization, for example, social value orientation/public value orientation, citizen orientation, collaborative governance orientation, provide a more practical approach to innovation in the specific public sector desired, knowledge about orientation / non-profit practices in the public sector, for example, strategic orientation, customer orientation, market orientation, technology orientation, and strategic human resource management practices. (Martono & Putri, 2018; Mitkova, 2014) Public sector organizations' leaders can expect more positive results with a cultural approach, if in a public sector organization they understand the uncertainties of the cultural environment they face using the knowledge of the strategic orientation of public organizations, such as resource orientation, custodian orientation/mission orientation, collaborative orientation/relational orientation, reputation orientation, orientation to the expert selection system, and orientation to the peer selection system.

Industry Society 5.0-Based Human Resource Development

(et al., 2016) HR must always be designed for future needs, with careful planning. Human resources can be developed in the right direction following the current era, where in the future, HR will be developed based on their skills, capacities, and capabilities. (Cascio, 2010; Predy et al., 2019) industry society 5.0-based HR development is a process of developing

human resources based on their abilities and expertise. Meanwhile, industry society 5.0 is an era where HR must be developed and used no longer because of proximity, but quality and capabilities. (Misbah & Budiyo, 2020) Society 5.0 can be interpreted as a human-centered technology-based social concept. (Government of Japan, 2018; Hendarsyah, 2019; et al., 2020). The purpose of Society 5.0 is to create a society where people can enjoy their lives to the fullest while using technological development to balance economic growth with new social issues. The Government of Japan of the Cabinet Office explained that the Government of Japan definition Society 5.0 as a human-centered society that can balance economic development. The main literature resources for this study are papers, dissertations, research reports, articles, and other information. HR management strategies to address the challenges of the Society 5.0 era. (Deguchi et al., 2020; Triwoko, 2020) As with global organizational competition (both public and private sectors, non-profit, non-government, and non-governmental organizations in the cooperative sector) as a challenge in the era of Society 5.0, management is in the people's strategy. (et al., 2020) You need to adapt to your deployment. Relying heavily on technology, not just employees and organizations, to help create and change perspectives and integrate modern ideas and models with traditional HR practices to create better solutions to Society 5.0 challenges. We need to innovate in the creation of value for society development era

METHODOLOGY

This research employed a descriptive quantitative method. (Joseph, 2018)), a quantitative descriptive method explaining the problems occurring

around the research object, then the analysis is carried out and concluded based on what will be studied. The quantitative descriptive data analysis was conducted by using path analysis,(Fatihudin, 2015; Sugiyono, 2017) path analysis describes the direct influences occurring between independent and dependent variables, as well as indirect effects between independent and connecting variables, and between the connecting and dependent variables. The population of this study involved 6,085,840 workforces working in Rural Banks throughout Indonesia.(Ferdinand, 2011; Yusuf, 2018) The samples of this study were taken using the purposive sampling technique, (Fatihudin, 2015) by this technique the samples are selected in accordance with the conditions occurring in accordance with the problems experienced in the study. In this research, the samples represented employees working in Rural Banks throughout Indonesia and experiencing situations the variables to be studied with certain characteristics.(Fatihudin, 2015)The number of samples was 100 people workers using solvin formula and selected through the questionnaires distributed via email.

RESULTS AND DISCUSSION

The Effects of HR's Skill Improvement, Competence Improvement, and Capability Transformation into the Work System on the HR Development based on the Industry Society 5.0

Analysis of Multiple Linear Regression Equation

Table 2. Multiple Linear Regression Equation

Model	Coefficients ^a		Collinearity Statistics	
	Unstandardized Coefficients	Standardized Coefficients		
	B	Std. Error	Beta	t
1 (Constant)	12.670	4.980		3.475
X1 (Skill Improvement)	.370	.135	.345	4.707
X2 (Competence Improvement)	.085	.096	.077	6.425

X3 (HR's Capability Transformation into the Work System)	.048	.085	.048	8,355	.001	.997	1,602
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a. Dependent Variable: Y

Source: Data Processing (SPSS), 2021

Based on Table 2, the results of the linear regression equation are as follows:

$$Y = 12.670 + 0.370X1 + 0.085X2 + 0.048X3$$

The value of the regression coefficient X1 for the skill improvement is 0.370. Indicated that the increase in skills had a positive and significant effect on Industry Society 5.0-based development of human resources in the Rural Banks, where the increasing skills of HR in the Rural Banks throughout Indonesia improved the HR development based on Industry Society 5.0 by 0.370 %..The value of the regression coefficient X2 for the competence improvement is 0.085. It showed that the increase in competence positively and significantly affected the Industry Society 5.0-based development of the HR in the Rural Banks, where the increasing competence of the HR in the Rural Banks throughout Indonesia improved the HR development based on Industry Society 5.0 by 0.085 %. The value of the regression coefficient X3 for the HR's capability transformation into the work system is 0.048. It meant that the HR's capability transformation into the work system had a positive and significant impact on Industry Society 5.0-development of the HR in the Rural Banks, where the better HR's capability transformation into the work improved Industry Society 5.0-development of the HR in the Rural Banks throughout Indonesia by 0.048%.

Determination Coefficient (R2)

Table 3. Results of Determination Coefficient Test

Model	R		Adjusted R Square	Std. Error of the Estimate	Change Statistics				Sig. F
	R	Square			R Square Change	F	df1	df2	
1	.760a	.745	.788	3.70200	.745	6.020	3	91	.001

a. Predictors: (Constant), X3, X1, X2

b. Dependent Variable: Y

Source: Data Processing (SPSS), 2021

Based on Table 3, the determination coefficient value (Adjusted R Square) is 0.788. In other words, 78.8% of the HR's skill improvement, competence improvement, and capability transformation into work system strongly influenced the Industry Society 5.0-based development of the HR in the Rural Banks throughout Indonesia, while the remaining 21.2% were affected by other variables not discussed in this study.

Simultaneous Hypothesis Test

Table 4. Results of Simultaneous Test

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	325,345	3	106,725	6.020	.001b
Residual	2560.523	91	22,234		
Total	2912,322	94			

a. Dependent Variable: Y

b. Predictors: (Constant), X3, X1, X2

Source: Data Processing (SPSS), 2021

Table 4 presents the F-table value is 6.020 greater than the F-count value of 2.70. This result concluded that simultaneously, the HR's skill improvement, competence improvement, and capability transformation into work system had a positive and significant effect on the Industry Society 5.0-based development of HR in the Rural Banks throughout Indonesia.

Partial Hypothesis Test

Table 5. Result of Partial Test

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	12.670	4.980		3.475	.000		
X1 (Skill Improvement)	.370	.135	.345	4.707	.000	.968	1.422
X2 (Competence Improvement)	.085	.096	.077	6.425	.000	.988	1.422
X3 (HR's Capability Transformation into Work System)	.048	.085	.048	8.355	.001	.997	1.602

a. Dependent Variable: Y

Source: Data Processing (SPSS), 2021

Based on Table 5, partially, the HR's skill improvement, competence improvement, and capability transformation into the work system had a positive and significant effect on the

Industry Society 5.0-based development of the HR in Rural Banks throughout Indonesia. This was proven by the t-value of the three variables higher than the t-table value of 1.662.

The Effects of the HR's Skill Improvement, Competence Improvement, and Capability Transformation into Work System on HR's Capability Improvement in the Rural Banks

Analysis of Multiple Linear Regression

Table 6. Multiple Linear Regression Equation

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	18.724	3.355		4.525	.000		
X1 (Skill Improvement)	.132	.117	.058	6.580	.001	.979	1.322
X2 (Competence Improvement)	.052	.096	.034	8.325	.000	.979	1.322
X3 (HR's Capability Transformation into Work System)	.064	.112	-.121	9.205	.002	.985	1.202

a. Dependent Variable: Z

Source: Data Processing (SPSS), 2021

Based on Table 7, the results of the linear regression equation are as follows:

$$Z = 18.724 + 0.132X1 + 0.052X2 + 0.064X3$$

The value of the regression coefficient X1 for the skill improvement is 0.132. It indicated that the increase in HR's skills had a positive and significant effect on the increase in the capabilities of the HR in the Rural Banks throughout Indonesia, where the increase in HR's skills upgraded their capabilities by 0.132%. The value of the regression coefficient X2 for the competence improvement is 0.052. It showed that the increase in HR's competence was positively and significantly affected the increase in the capabilities of HR in the Rural Banks throughout Indonesia, where the increase in HR's competence improved their capabilities by 0.052%. The value of regression coefficient X3 for the HR's capability transformation into the work system is 0.064.

Determination Coefficient (R²)

Table 7. Results of Determination Coefficient

Model Summary ^a									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Durbin-Watson
					R Square Change	F Change	df1	df2	
1	.725 ^b	.835	.840	5.35052	.835	8.450	3	91	.001

a. Predictors: (Constant), X3, X1, X2

b. Dependent Variable: Z

Source: Data Processing (SPSS), 2021

Based on Table 7, the determination coefficient value (Adjusted R Square) is 0.840%. In other words, 84% of the HR's skill improvement, competence improvement, and capability transformation into the work system strongly influenced the increase in the capabilities of HR in the Rural Banks throughout Indonesia, while the remaining 16% were affected by other variables excluded from this study.

Simultaneous Hypothesis Test**Table 8. Simultaneous Hypothesis Test**

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	145230	3	40.006	8.450	.001b
Residual	3177,900	91	27,320		
Total	3245.050	94			

a. Dependent Variable: Z

b. Predictors: (Constant), X3, X1, X2

Source: Data Processing (SPSS), 2021

Based on Table 8, the F-table value is 8.450 higher than the F-count value of 2.70, This result concluded that simultaneously, the HR's skill improvement, competence improvement, and capability transformation into the work system had a positive and significant effect on the increase in capabilities of the HR in Rural Banks throughout Indonesia.

Partial Hypothesis Test**Table 9. Partial Hypothesis Test**

Coefficients ^a									
Model		Unstandardized Coefficients		Std. Error	Beta	Collinearity Statistics			
		B	Std. Error			t	Sig.	Tolerance	VIF
1	(Constant)	18,724	3.355			4.525	.000		
	X1 (Skill Improvement)	.132	.117		.058	6,580	.001	.979	1.322
	X2 (Competence Improvement)	.052	.096		.034	8.325	.000	.979	1.322
	X3 (HR's Capability Transformation into the Work System)	.064	.112		-.121	9.205	.002	.985	1.202

a. Dependent Variable: Z

Source: Data Processing (SPSS), 2021

Based on Table 9, partially, the HR's skill improvement, competence improvement, and capability transformation into the work system positively and significantly impacted the increase in capabilities of the HR in the Rural Banks throughout Indonesia. This result was proven by the t-count value for those three variables greater than the t-table value of 1.662.

The Effects of the HR's Capability Improvement on the Industry Society 5.0-Based Development of the HR in the Rural Banks**Analysis of Simple Linear Regression Equation****Table 10. Simple Linear Regression Equation**

Coefficients ^a							
Model		Unstandardized Coefficients		Std. Error	Beta	t	Sig.
		B	Std. Error				
1	(Constant)	22.076	2.240			10,250	.000
	Z (HR's Capability Improvement)	2.157	.078		.085	6,730	.002

a. Dependent Variable: Y

Source: Data Processing (SPSS), 2021

Based on Table 10, the results of the simple regression equation are as follows:

$$Y = 24,099 + 2.166X1$$

The value of the regression coefficient Z shows a positive value of 2.157. This value indicated that the capability improvement of the HR in the Rural Banks had a positive and significant effect on the Industry Society 5.0-based development of the HR in the Rural Banks, where the increase in the HR's capabilities upgraded the Industry Society 5.0-based development of the HR in Rural Banks throughout Indonesia by 2.157%.

Determination Coefficient (R²)**Table 11. Results of Determination Coefficient**

Model Summary ^a									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Durbin-Watson
					R Square Change	F Change	df1	df2	
1									

1	.780a	.812	.825	5.04123	.812	5.427	1.91	.002	1.656
a. Predictors: (Constant), Z									
b. Dependent Variable: Y									

Source: Data Processing (SPSS), 2021

Table 11 presents the determination coefficient value (Adjusted R Square) is 0.825. It showed 82.5% of the HR's capability improvement of the HR in the Rural Banks throughout Indonesia strongly influenced the HR development based on Industry Society 5.0, while the remaining 17.5% were affected by other factors not described in this study.

Partial Test**Table 12. Results of Partial Test**

Model	Coefficients					Collinearity Statistics		
	Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Tolerance	VIF
	B	Std. Error	Beta					
1 (Constant)	22.076	2.240			10.250	.000		
Z (HR Capability Improvement)	2.157	.078	.085		6.730	.002	1.000	1.000
a. Dependent Variable: Y								

a. Dependent Variable: Y

Source: Data Processing (SPSS), 2021

Based on Table 12, the HR's capability improvement positively and significantly impacted the Industry Society 5.0-based development of the HR in the Rural Banks Indonesia. This was proven by the t-count value of 6.730 higher than the t-table of 1.662.

The Effects of the HR's Skill Improvement, Competence Improvement, and Capability Transformation into Work System on the Industry Society 5.0-Based Development of the HR in the Rural Banks with the HR's Capability Improvement as an Intervening Variable

Based on the results of the regression equation data analysis of the first, second, and third substructures, the results obtained are as follows:

$Y = 0.370X_1 + 0.085X_2 + 0.048X_3$ with a determination coefficient of $R^2 = 0.788$
 $Z = 0.132X_1 + 0.052X_2 + 0.064X_3$ with a determination coefficient of $R^2 = 0.840$
 $Y = 2.157Z$ with a determination coefficient of $R^2 = 0.825$

The relationship between the effects of the HR's skill improvement, competence improvement, and capability transformation into the work system on the Industry Society 5.0-based development of the HR in the Rural Banks with the HR's capability improvement as an intervening is explained in Table 13.

Table 13. Results of Direct Effect Research

No	The Relationship between Variables	Regression Coefficient Values	Positive/Negative Coefficient	Notes
1	The effect of skill improvement on the capability improvement of the HR in the Rural Banks.	0.132	Positive	H1 was accepted
2	The effect of competence improvement on the capability improvement of the HR in the Rural Banks.	0.052	Positive	H2 was accepted
3	The effect of the HR's capability transformation into the work system on the capability improvement of the HR in the Rural Banks.	0.064	Positive	H3 was accepted
4	The effect of skill improvement on the HR development based on the Industry Society 5.0.	0.370	Positive	H4 was accepted
5	The effect of competence improvement on the HR development based on the Industry Society 5.0.	0.085	Positive	H5 was accepted
6	The effect of the HR's capability transformation into the work system on the HR development based on the Industry Society 5.0.	0.048	Positive	H6 was accepted
7	The effect of the capability improvement of the HR in the Rural Banks throughout Indonesia on the HR development based on Industry Society 5.0	2.157	Positive	H7 was accepted

Source: Data Processing (SPSS), 2021

The relationship between skill improvement and the Industry Society 5.0-based development of the HR in the Rural Banks through HR's capability improvement as an intervening variable = $0.132 \times 0.370 \times 2.157 = 0.105$. This result indicated the effect of the skill improvement on the Industry Society 5.0-based development of the HR in Rural Banks throughout Indonesia through the HR's capability improvement as an intervening variable was $Y = 0.105 + 2.157 = 2.262$. The relationship between competence improvement and the Industry Society

5.0-based development of the HR in the Rural Banks through HR's capability improvement as an intervening variable = $0.052 \times 0.085 \times 2.157 = 0.009$. This result indicated the effect of the skill improvement on the Industry Society 5.0-based development of the HR in Rural Banks throughout Indonesia through the HR's capability improvement as an intervening variable was $Y = 0.009 + 2.157 = 2.166$. The relationship between the HR's capability transformation into the work system and the Industry Society 5.0-based development of the HR in the Rural Banks throughout Indonesia through the HR's capability improvement as an intervening variable = $0.064 \times 0.048 \times 2.157 = 0.007$. This result meant the effect of the HR's capability transformation into the work system on the Industry Society 5.0-based development of the HR in the Rural Banks throughout Indonesia through the HR's capability improvement as an intervening variable was $Y = 0.007 + 2.157 = 2.164$. The relationship between the HR's capability transformation into the work system and the Industry Society 5.0-based development of the HR in the Rural Banks throughout Indonesia through the HR's capability improvement as an intervening variable = $0.064 \times 0.048 \times 2.157 = 0.007$. This result meant the effect of the HR's capability transformation into the work system on the Industry Society 5.0-based development of the HR in the Rural Banks throughout Indonesia through the HR's capability improvement as an intervening variable was $Y = 0.007 + 2.157 = 2.164$. The relationship between the HR's capability transformation into the work system and the Industry Society 5.0-based development of the HR in the Rural Banks throughout Indonesia through the HR's capability improvement as an intervening variable = $0.064 \times 0.048 \times 2.157 = 0.007$. This

result meant the effect of the HR's capability transformation into the work system on the Industry Society 5.0-based development of the HR in the Rural Banks throughout Indonesia through the HR's capability improvement as an intervening variable was $Y = 0.007 + 2.157 = 2.164$.

The results of the indirect effect research are described in Table 14.

Table 14. Summary of Indirect Effect Research Results

No	The Relationship between Variables	Regression Coefficient Values	Positive/Negative Coefficient	Notes
1	The effect of skill improvement on the capability improvement of the HR in the Rural Banks throughout Indonesia and its impact on the HR development based on Industry Society 5.0.	2.262	Positive	H8 was accepted
2	The effect of competence improvement on the capability improvement of the HR in the Rural Banks throughout Indonesia and its impact on the HR development based on Industry Society 5.0.	2.166	Positive	H8 was accepted
3	The effect of capability transformation into the work system on the capability improvement of the HR in the Rural Banks throughout Indonesia and its impact on the HR development based on Industry Society 5.0.	2.164	Positive	H8 was rejected

Source: Data Processing (SPSS,2021)

CONCLUSION

Based on the results of research data analysis, the researcher comprehensively concluded as follows: The skill improvement had a positive and significant effect on the capability improvement of the HR in the Rural Banks throughout Indonesia. HR in the

Rural Banks throughout Indonesia. The HR's capability transformation into the work system had a positive and significant effect on the capability improvement of the HR in the Rural Banks throughout Indonesia. The skill improvement positively and significantly affected the Industry Society 5.0-based development of HR in the Rural Banks. The competence improvement had a positive and significant impact on the Industry Society 5.0-based development of HR in the Rural Banks. The HR's capability transformation into the work system positively and significantly influenced the Industry Society 5.0-based development of HR in the Rural Banks. The capability improvement of the HR in the Rural Banks throughout Indonesia had a positive and significant effect on the HR development based on the Industry Society 5.0. The HR's skill improvement, competence improvement, and capability transformation into the work system positively and significantly impacted the Industry Society 5.0-based development of the HR in the Rural Banks throughout Indonesia through the HR's capability improvement as an intervening variable. The capability improvement of the HR in the Rural Banks throughout Indonesia had a positive and significant effect on the HR development based on the Industry Society 5.0. The HR's skill improvement, competence improvement, and capability transformation into the work system positively and significantly impacted the Industry Society 5.0-based development of the HR in the Rural Banks throughout Indonesia through the HR's capability improvement as an intervening variable. The capability improvement of the HR in the Rural Banks throughout Indonesia had a positive and significant effect on the HR development based on the

Industry Society 5.0. The HR's skill improvement, competence improvement, and capability transformation into the work system positively and significantly impacted the Industry Society 5.0-based development of the HR in the Rural Banks throughout Indonesia through the HR's capability improvement as an intervening variable.

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