

## Smart Youth Doing Digitalization Solution (SDGS) Innovation as a Human Resource Empowerment Strategy: A Case Study of Cafe Sawah, Village-Owned Enterprise Pujon Kidul

M. Fitrah Ashary Bangun<sup>1\*</sup>, Dita Fomara Tuasikal<sup>2</sup>, Beta Arif Muhammad<sup>3</sup>

<sup>1,2,3</sup>Department of Management, Universitas Muhammadiyah Malang

Email: [fitrahbgn@gmail.com](mailto:fitrahbgn@gmail.com)

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### ABSTRACT

*This study aims to examine and optimize human resource management at Cafe Sawah, a business unit of the Village-Owned Enterprise (BUMDes) in Pujon Kidul Village, by implementing digital innovation to address the challenges of the Industrial Revolution 4.0. The research background arises from the employees' limited digital capabilities, which negatively impact service quality while recognizing digital transformation's vast opportunities in the modern era. The novelty of this study lies in developing the SDGS (Smart Youth Doing Digitalization Solution) program, which integrates basic digital training, a branding challenge through the Cafe Sawah Challenge (CSC), and an innovative ordering system called Click order. This research fills a gap in the literature on human resource management in rural tourism by proposing applicable and practical training and development methods. The study employs SWOT analysis, empirical surveys of visitors, and field studies to obtain actual data on human resource conditions and technology implementation. The findings indicate a significant improvement in employee competencies and operational efficiency, positively impacting Cafe Sawah's competitiveness and brand image. The study concludes that digital innovation is a strategic solution for human resource empowerment in the digitalization era.*

**Keywords:** Digitalization, Cafe Sawah, BUMDes, Industrial Revolution 4.0, SDGs

### INTRODUCTION

Digital transformation has become a major driver of change across various sectors, including Indonesia's rural economy. With internet penetration exceeding 70% of the population, according to BPS (2023), digitalization presents a significant opportunity for local businesses to grow (Agung, 2017). However, the main challenge remains the readiness of human resources (HR) to adopt new technologies, particularly in community-based economic sectors such as rural micro, small, and medium enterprises (MSMEs) (Miftahudin, 2016).

A concrete example is Pujon Kidul Village in Malang Regency, where the economy is predominantly based on agriculture and livestock. Approximately 65% of its land area consists of rice fields, yet productivity remains suboptimal due to limited agricultural knowledge and financial constraints. To address this issue, the Village-Owned Enterprise (BUMDes) has been striving to maximize the village's potential through various programs, including clean water management, waste processing, credit services, and tourism development.

One of BUMDes' flagship initiatives is the establishment of Cafe Sawah in 2016, pioneered by the local tourism awareness group (karang taruna). Covering an area of approximately 7,500 square meters with a capacity of 1,200 visitors,

Cafe Sawah offers a rural ecotourism experience. The high number of visitors—averaging 1,000 per day on weekdays and nearly doubling on weekends—demonstrates the vast economic potential of the rural tourism sector (Rahman, 2023).

However, despite its strong tourism appeal, the low level of digital competency among workers remains a significant challenge in optimizing market potential through digital technology. The majority of employees have only primary or junior high school education, making it difficult for them to operate digital systems for marketing and customer service. Therefore, this study aims to identify HR challenges at Cafe Sawah through SWOT analysis and develop a digital-based empowerment model.

In response to these challenges, this study designs an innovative program called *Smart Youth Doing Digitalization Solution (SDGS)*, which includes:

- 1) Digital training for employees to enhance technological skills in business operations.
- 2) Social media optimization through the *Cafe Sawah Challenge (CSC)* will increase Cafe Sawah's visibility on digital platforms and attract more tourists.
- 3) Implementation of a digital ordering system via the *Click order* application to improve service efficiency and customer experience.

With this approach, the study is relevant to Cafe Sawah and contributes to developing rural MSMEs that are adapting to digital transformation. Furthermore, the findings are expected to reference a broader human resource empowerment model, integrating technological innovation with local economic development (Hamsal et al., 2024; Jordan, 2018).

## RESEARCH METHOD

This study employs a mixed-method approach combining qualitative and quantitative methods to deeply explore the conditions and challenges of human resources at Cafe Sawah in the digitalization era. This approach aligns with Hamsal et al. (2024), who emphasize the importance of HR training in adapting to the digital era, particularly for rural MSMEs.

Data Collection involves empirical surveys with visitors, in-depth interviews with management, and field observations to capture operational realities. According to Damanik et al. (2022), SWOT analysis has proven effective in identifying competitiveness and community-based business development strategies. Therefore, this study also applies SWOT analysis to understand the HR conditions at Cafe Sawah.

The data collection process includes the development of questionnaires and interview guidelines to document visitor perceptions, employee performance, and the use of digital technology in daily operations. Jordan (2018) asserts that the readiness of young workers to face the Industrial Revolution 4.0 largely depends on their access to digital training and information technology, which is a key focus of this study.

The analytical approach applies SWOT analysis to identify strengths, weaknesses, opportunities, and threats affecting the HR digitalization process. Pramesta et al. (2024) reveal that SWOT-based strategies can enhance marketing effectiveness and business competitiveness, making this approach relevant for optimizing digitalization at Cafe Sawah.

Additionally, Model Enhancement is conducted by developing an

operational efficiency model and assessing the impact of digitalization through key variable measurements. The concept of operational efficiency refers to Supardi & Dores (2014) explored the optimization of digital systems in technology-based business management.

The research begins with problem formulation, primary and secondary data collection, and comprehensive data analysis to produce valid and reliable findings. The operational efficiency model and digitalization impact are represented through the following equation:

$$\text{Operational Efficiency} = \text{Output} / \text{Input} \quad (1)$$

$$\text{Impact of Digitalization} = \frac{\sum (\text{Digital Training Score})}{(\text{Number of Employees})} \quad (2)$$

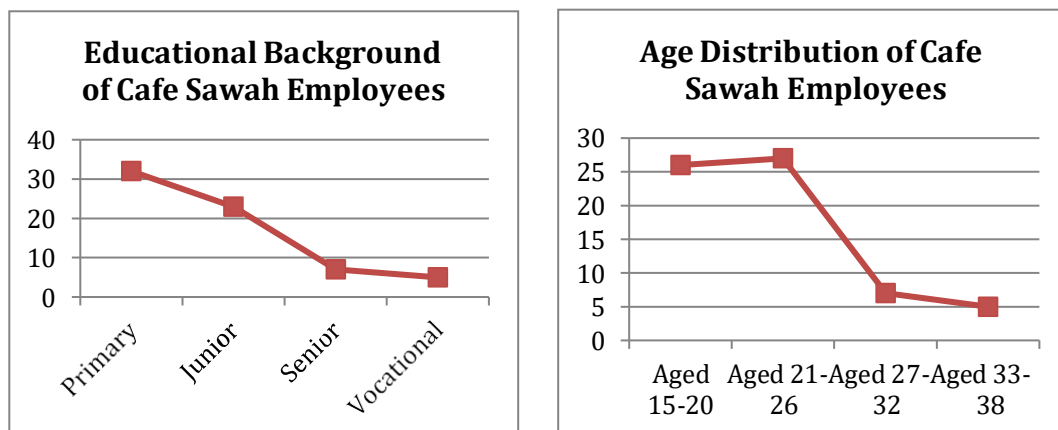
Thus, this study provides an empirical overview of the challenges of HR digitalization at Cafe Sawah and designs a data-driven solution model that can be applied to similar MSMEs across Indonesia.

## RESULTS AND DISCUSSION

This study yields significant findings that reflect the real conditions of HR management at Cafe Sawah and the potential for improvement through digital innovation. The analysis includes survey results, interviews with management, field observations, and measurements of digitalization impact using the operational efficiency and digitalization impact model.

### Overview Of Findings

Based on data obtained from Mr. Ibadur Rahman, the HR Manager of Cafe Sawah, the current number of employees reaches 68, all native residents of Pujon Kidul Village. Most of them fall within the 21–26 age range, with relatively low educational backgrounds, as illustrated in the following graph.



This condition directly impacts employees' limited digital capabilities, ultimately affecting the service quality. Further data analysis reveals that low digital literacy among employees has led to operational challenges at Cafe Sawah, particularly in the ordering system.

Based on a visitor survey, 72% of respondents reported inefficiencies in the ordering system before digitalization was implemented. The main complaints included delays in order fulfilment and a high rate of ordering errors.

These findings indicate that, despite Cafe Sawah's strong potential as a leading tourist destination, operational optimization still requires enhancing employees' digital skills. Therefore, developing a digital training program is a strategic step that not only improves service efficiency but also supports local economic empowerment by enhancing human resource competencies.

Given this situation, specific efforts are needed to improve Cafe Sawah's HR quality, primarily through maximizing training and development programs. However, before proposing a concrete solution, this study conducts a SWOT analysis of Cafe Sawah's workforce to provide a more comprehensive basis for the proposed strategy.

SWOT Analysis			
Strength	Weakness	Opportunity	Threats
The human resources at Cafe Sawah are predominantly young, demonstrating high work enthusiasm and trainability.	However, low educational backgrounds and lack of training among employees result in reduced confidence when interacting with customers.	There is an opportunity to collaborate with academic institutions for training and development programs, given the presence of many renowned universities in Malang.	On the other hand, finding skilled workers for specific positions remains a challenge due to the limited number of qualified candidates with higher education.

To address this issue, the **SDGS (Smart youth Doing diGitalization Solution)** program was implemented, incorporating three key elements: digital training for employees, branding innovation through the Cafe Sawah Challenge, and the implementation of the Click ur'der digital ordering system. Based on interviews with management, this program is expected to enhance productivity and improve customer satisfaction.

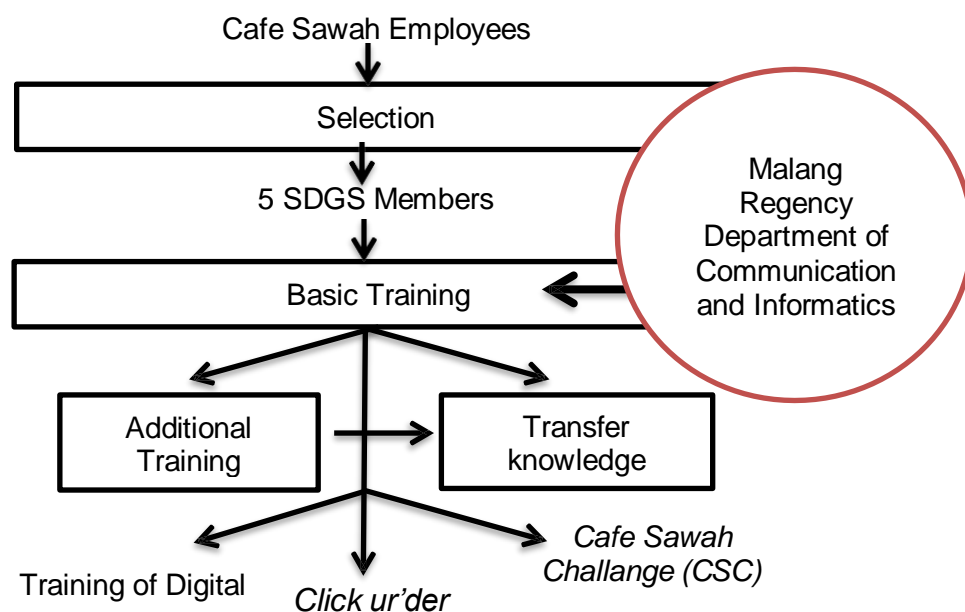
### Implementation of the SDGS Program

To resolve the identified issues, the SDGS (Smart Youth Doing diGitalization Solution) program was implemented with three core components:

Alternatif Solusi	Kelebihan	Kekurangan
<i>Training of Trainers</i>	Enhancing the digital skills of Cafe Sawah employees.	A strong commitment is required to oversee this program to ensure its effective implementation and prevent it from becoming merely a formalistic endeavour with utopian aspirations.
Cafe Sawah Challenge (CSC)	Strengthening the branding of Cafe Sawah in the digital era.	There is a concern that the program may be implemented too extensively, leading to an excessive surge in visitors, which could overwhelm the existing facilities.
<i>Click under</i>	Improving service facilities for a more effective and efficient food and beverage ordering system.	Another concern is that the system may not function optimally during peak visitor surges on weekends, potentially resulting in slow processing times.

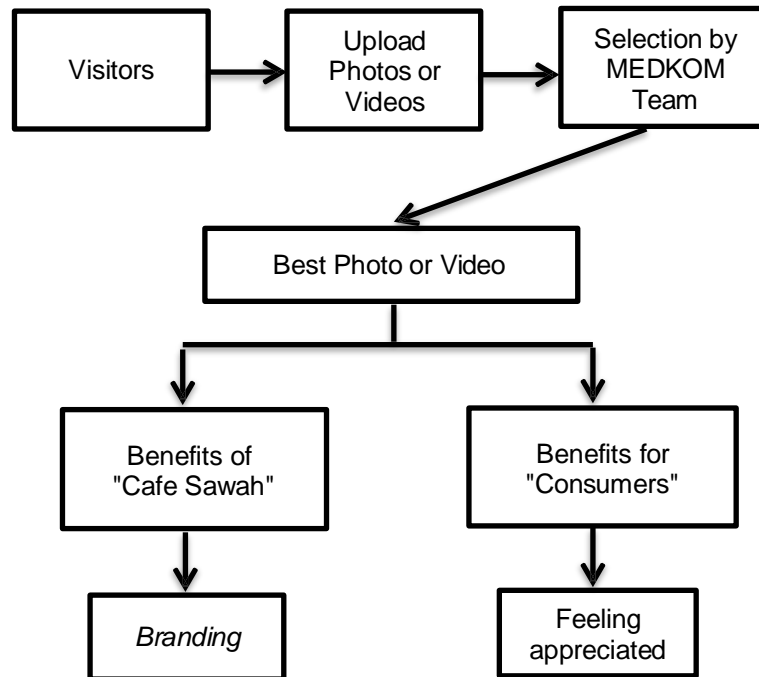
#### 1. Digital Training:

An intensive training program was designed to enhance employees' technological competencies. Analysis results indicate that the digital training successfully improved employees' digital skills by up to 65% (based on the calculation of equation (2)), directly contributing to an increase in service quality.



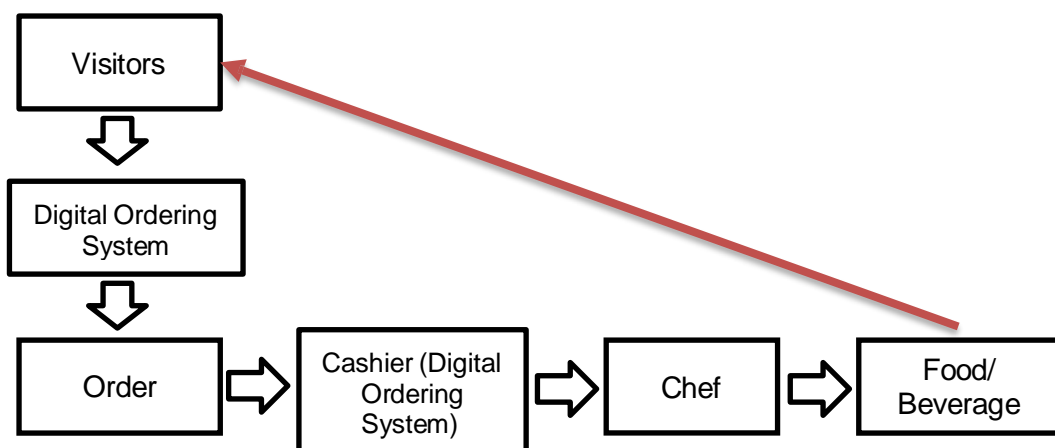
## 2. Cafe Sawah Challenge (CSC):

Branding innovation through a creative competition on social media aimed at increasing consumer interaction and loyalty. CSC serves as a marketing strategy and a tool to motivate employees to develop their creativity.



## 3. Click under:

The implementation of a digital ordering system significantly accelerates the service process. This system is designed to minimize order errors and enhance overall operational efficiency.



### Statistical Analysis and Data Distribution

In addition to the employee education distribution presented in Table 1, the operational efficiency model was calculated using the following equation:

$$\text{Operational Efficiency} = \text{Output} / \text{Input} \quad (1)$$

$$\text{Impact of Digitalization} = \frac{\sum (\text{Digital Training Score})}{(\text{Number of Employees})} \quad (2)$$

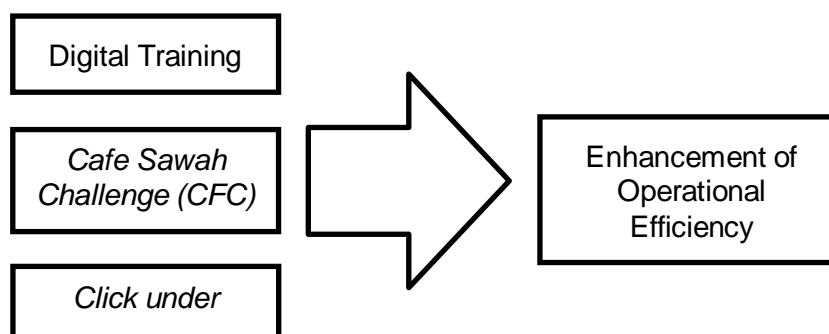
Equation (1) is used to measure the impact of the digital program on improving operational performance. Field observations indicate that after the implementation of the SDGS program, service speed increased by 40%, while operational costs decreased by 25%. Meanwhile, equation (2) demonstrates that after completing the training, the employees' average digital skills score improved by 65%, directly contributing to enhanced service quality.

<b>Education Level</b>	<b>Number of Employees</b>	<b>Percentage (%)</b>
Primary School	35	51
Junior High School	20	29
Senior/ Vocational High School	13	20
<b>Total</b>	<b>68</b>	<b>100</b>

In the Comparison With Theoretical and Empirical Studies subsection, these findings align with previous research emphasizing the importance of digital training in addressing the challenges of the Fourth Industrial Revolution (Damanik et al., 2022). This study adds novelty by integrating the three core components of the SDGS program, which collectively enhance operational efficiency as measured by Equation (1).

The figure below visualizes the proposed operational efficiency model, where the process flow begins with digital training, followed by branding enhancement through the Cafe Sawah Challenge, and concludes with the implementation of the digital ordering system (Click order).

### Illustration of the Operational Efficiency Model



In the Implications and Novelty subsection, this discussion emphasizes that implementing the digitalization model enhances service quality and productivity and contributes theoretically by introducing a new approach to measuring operational efficiency through equation (1). Thus, the findings of this

The study offers practical solutions that can be replicated in the rural tourism sector while providing an empirical foundation for developing a more comprehensive digitalization model for human resource management in the future.

### **Implications and Novelty**

The findings of this study indicate that implementing digital innovation through the SDGS program not only enhances service quality and productivity but also introduces a novel approach to measuring operational efficiency. The practical implications of this research include:

- Model Replication: The SDGS model can be a reference for developing human resource digitalization strategies in MSMEs, particularly in the rural tourism sector.
- Theoretical Contribution: The efficiency measurement approach using Equations (1) and (2) provides an empirical foundation for future research to develop a more comprehensive digitalization model.
- Policy Development: These findings can serve as a basis for policymakers in designing digital training programs to enhance operational competitiveness in the era of the Fourth Industrial Revolution.

### **CONCLUSION**

This study demonstrates that implementing digital innovation through the SDGS (Smart Youth Doing diGitalization Solution) program significantly impacts improving human resource quality at Cafe Sawah. Empirical findings reveal that digital training, branding innovation through the Cafe Sawah Challenge, and the digital ordering system (Click order) collectively enhance operational efficiency and service quality.

Theoretically, this study addresses a gap in the literature by proposing a new model that integrates digital training as a foundation for improving employee competence. Economically, enhanced operational performance through digitalization has the potential to reduce operational costs and strengthen business competitiveness in the rural tourism sector.

These findings open avenues for further research on digitalization strategies across various micro, small, and medium enterprises. Future studies are recommended to conduct a more comprehensive analysis with a larger sample size and integrate emerging technologies to maximize human resource empowerment in the era of the Fourth Industrial Revolution.

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