ANALYSIS OF THE INFLUENCE OF THE CREATIVE ECONOMY ON THE ECONOMY OF THE PEOPLE OF PEMATANG SERAI VILLAGE, TANJUNG PURA DISTRICT, LANGKAT REGENCY THROUGH HUMAN RESOURCE MANAGEMENT

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ARTICLE INFO	ABSTRACT
	The current economic era is called the era of the creative economy. This study aims to analyze the influence of the creative economy on the community's economy through human resource management. The research location is in Pematang Serai Village, Tanjung Pura District, Langkat Regency. This research uses a descriptive method with a qualitative approach. The sample in this study was 30 respondents. The results of the study explained that based on the results of the *direct* effect of the Creative Economy, it has a positive and significant effect on Human Resource Management. The Creative Economy has a positive and significant effect on the Community Economy. Human Resource Management has a positive and significant effect on the Community Economy. Meanwhile, based on the results of the *indirect* effect of the Creative Economy, it has a positive and significant effect on the Community Economy through Human Resource Management.

INTRODUCTION

Indonesia is the largest archipelagic country in the world consisting of 17,504 large and small islands. Indonesia is also known as a great nation, which has a diversity of tribes, cultures, religions, and histories. In addition, Indonesia is also the fourth country with the most population in the world after China, India, and the United States. The rich natural conditions and all its contents hold a lot of potential and opportunities to build a better Indonesia. Therefore, the importance of government policies towards the potential of each region in reducing the problem of poverty and inequality in society. To improve welfare in rural areas, it can be seen in the economic development goals which were originally oriented towards the sustainable growth of large-scale economies and are now a priority for future development. To increase economic growth and the welfare of the people in Indonesia, the government has made policies, one of which is by prioritizing the industrial sector. However, in addition to relying on the industrial sector as the source of the country's economy, the government also relies on creative human resources.

Creative economy is an economic concept that prioritizes information systems, creativity, and relies on ideas from various sciences from Human Resources (HR) as the main production factor in the economy. Creativity that can be mixed with the values of art, technology, knowledge, and culture is the basic capital in facing economic competition, so that the Creative Economy appears as an alternative to economic development to improve people's welfare. Creativity will encourage innovation that creates higher added value, and at the same time is environmentally friendly and strengthens the nation's image and cultural identity.

In general, a strong reason why the creative industry needs to be developed is because the influence of each sector of the creative industry has a significant contribution to the economy of a country that can create a good business climate and strengthen the image and identity of a nation in the use of renewable resources that have a positive social impact. The economic condition expected by Indonesia is a sustainable economy.

The Creative Economy, in which there are industries in creating innovations, has high bargaining power in a sustainable economy because individuals have creative capital that they use to create innovations. (Law Number 24, 2019) about the Creative Economy aims to optimize the creativity of human resources based on cultural heritage, science, and / or technology. The management of the Creative Economy and its potential needs to be carried out systematically, structured, and sustainable. National economic growth in the third quarter of 2022 was recorded at 5.72% (yoy). The strengthening of economic recovery is indicated by economic growth in Q3 2022 compared to Q2 2022 of 1.8% (qtq). With this growth rate, the national GDP level cumulatively until the third quarter of 2022 is 6.6% above the cumulative level of I-III 2019.

The creative economy is a concept in the new economic era that prioritizes information and creativity by relying on ideas and knowledge from human resources as a factor of production. In economic studies, it is known that there are four factors of production, namely natural resources, human resources, and orientation or management (Arjana, 2016). The creative economy sector consists of 14 (fourteen) sub-sectors, namely the advertising sector, architecture sector, goods market sector, arts sector, craft sector, design sector, fashion, video, film and photography, interactive games, music, performing arts, publishing and printing, computer and software services, television and radio, research and development. The creative economy is driven by the capitalization of creativity and motivation in producing products and services with a high creative content towards the inputs and outputs of economic activity (Undang-Undang Nomor 10, 2009). The resilience of the creative economy has proven to be the most accurate concept when large companies go out of business during the economic crisis experienced by the Indonesian state. Even the creative economy is able to improve the order of the national economy (Polnaya, 2015).

Pematang Serai Village, located in Tanjung Pura District, Langkat Regency, North Sumatra, is facing the problem of limited land due to the topographical soil structure in lowland areas. As a result, during the rainy season it often experiences flooding and muddy. To overcome this problem, the community made a versatile drainage that has an economic function, namely as a place for fish rearing. As a result, this activity also improves the economy and nutrition of the community, in addition to just overcoming floods. Facing increasingly tough challenges ahead, people need to strengthen the ability of the creative industry to compete with imported creative economy products. Linkages with other sectors both backwards, with suppliers and future linkages that absorb the creative economy sub-sector need to be strengthenedby the stronger community's economy.

LITERATURE REVIEW
Creative Economy
(Howkins, 2001) in his book The Creative Economy: How People Make Money first introduced the term creative economy. Howkins realized the birth of a new wave of creativity-based economics after seeing in 1997, Howkins describes the creative economy as "an economic activity in society that spends most of its time generating ideas, not just doing routine and repetitive things. Because for this society, generating ideas is something that must be done for progress. The characteristics of the creative economy include:
- a) Collaboration between various actors who play a role in the creative industry, namely intellectuals (intellectuals), the business world, and the government is a fundamental prerequisite.
- b) Based on an idea or ideas.
- c) Development is not limited in various fields of business.
- d) The concept built is relative.

(Departemen Perdagangan Republik Indonesia. Depdag RI, 2008) Formulate the creative economy as an effort to develop the economy in a sustainable manner through creativity with a competitive economic climate and have renewable resource reserves. A clearer definition was conveyed by UNDP (2008) which formulated that the creative economy is an integrative part of innovative knowledge, creative use of technology, and culture. Indonesia is a country with many tribes and cultures, so each region that has a culture can present its culture in unique ways.

Community Economy

The economy of society is a group of human beings who already have an order of life, norms, customs experienced in their environment (Noor, 1997). The purpose of improving the economy is the improvement of the economic level through productive independent business by paying attention to management in their business. People's economy is an economic system that must be adhered to in accordance with the philosophy of our country which concerns two aspects, namely justice and economic democracy, as well as siding with the people (Zulkarnain, 2003). The understanding of the people's economy can be viewed from two approaches, namely: first, the approach of economic activity of small-scale economic actors called the people's economy. Based on this approach, people's economic empowerment is intended to be the empowerment of small business economic actors. Second, the economic system approach, namely economic democracy or a democratic development system is called participatory development. Based on this second approach, the economic empowerment of the people is intended to apply democratic principles in development. This means that the people's economy is an economic system that involves all levels of society in the development process where all these layers are without exception as drivers of development.

Human Resource Management

Human resource management is a set of organizational activities directed at attracting, developing and maintaining an effective workforce. According to (Marwansyah, 2014) the opinion that human resource management can be interpreted as the utilization of human resources in the organization, which is carried out through the functions of human resource planning, recruitment and selection, human resource development, career planning and development, compensation and welfare, occupational safety and health, and industrial relations. Human Resource Management is an activity of planning, procurement, development, maintenance, as well as the use of human resources to achieve goals both individually and organizationally (Sutrisno, 2016). Meanwhile, according to (Sedarmayanti, 2017) human resource management, it is an approach in managing human problems based on 3 (three) basic principles, namely:

a) Human resources are the most valuable and important treasures / assets owned by the organization / company because the success of the organization is largely determined by the human element.

b) Success is quite possible to achieve, if the policies of human-related procedures and regulations of the company are interconnected and benefit all parties involved in the company.

c) The culture and values of the company's organization as well as managerial behavior derived from that culture will have a great influence on achieving the best results.

Pematang Serai Village

Pematang Serai Village is a village that is included in the Langkat Kabupeten area. Specifically in Tanjung Pura Village and it is still fairly beautiful with greening that makes visitors or people who come to the village feel comfortable. Potential Aspects in Pematang Serai Village are; fishermen's products, livestock products and agricultural products. From the results of the village's potential, there are various things that can be produced by the community or business actors to increase their income. It's just that it is necessary to evaluate the maximum achievement of the welfare of the community.

METHOD

Research Location

This research was conducted in Pematang Serai Village, Tanjung Pura District, Langkat Regency. The research time was carried out for 2 (two) months, namely November to December 2022.

Research Location

Populations are non probability or unknown in number. In this study, researchers used simple random sampling. Simple Random Sampling is the sampling of a sample from a population that is carried out randomly without regard to the strata that exist in that population (Sugiyono, 2018). Researchers took a sample of 30 respondents who are creative economy business actors in Pematang Serai Village, Tanjung Pura District, Langkat Regency.

Data Collection Techniques

Data collection techniques in this study are by means of, namely; Literature Studies, Interviews and Questionnaires.

Data Analysis Techniques

This research uses a quantitative descriptive approach. The point of the quantitative descriptive approach is that this research emphasizes the form of calculation in a mathematical formulation that focuses on hypothesis testing. Quantitative research is defined as research that uses the analysis of numerical data or numbers. According to (Sugiyono, 2019) quantitative research is is defined as a research method based on the philosophy of positivism, used to research on a specific population or sample, data collection using research instruments, data analysis is quantitative / statistical, with the aim of testing established hypothetics. In this type of research, the data will be described through numbers. In analyzing the data in this study using PLS (*Partial Least Squares*) analysis.

RESULTS AND DISCUSSION
PLS Model Analysis
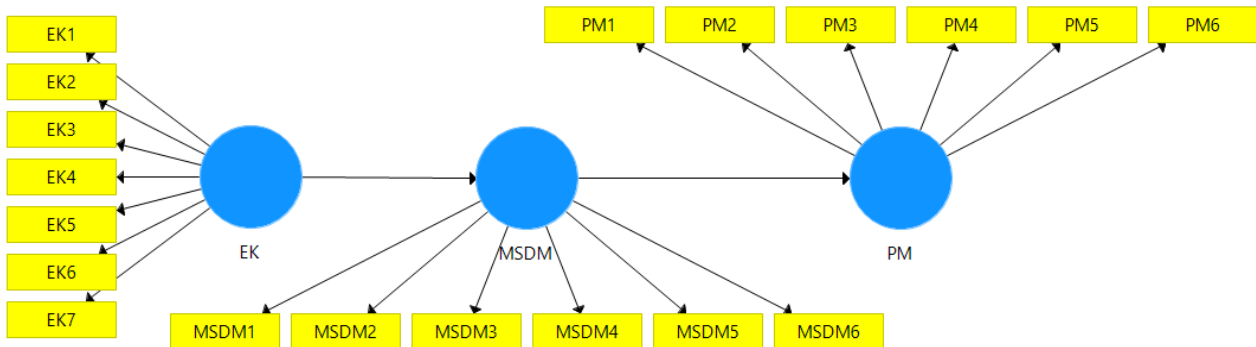
Figure 1. First Model Framework

Figure 1., shows the First order analysis performed on each variabel study. This is done to see the suitability of each indicator on each dimension which is a reference for the decline in research indicators. If the indicators of each dimension are reliable and accurately measure each dimension, then the study can more accurately predict the relationship between variables that occur.

Outer Model

Table 1. *Loading Factor* Test Results

	OAK	PM	MSDM
EK1	0.681		
EK2	0.564		
EK3	0.781		
EK4	0.720		
EK5	0.664		
EK6	0.897		
EK7	0.775		
PM1		0.792	
PM2		0.419	
PM3		0.697	
PM4		0.627	
PM5		0.622	
PM6		0.516	
MSDM1			0.716
MSDM2			0.700
MSDM3			0.545
MSDM4			0.665
MSDM5			0.903
MSDM6			0.822

Based on Table 1., it is known that each variable indicator in this study has an outer loading value of > 0.5. According to (Ghozali & Latan, 2014) the outer loading value between 0.5 and 0.6 is considered sufficient to qualify for convergent validity. The data shows the indicator is declared feasible or valid for research use and can be used for further analysis.

An internal consistency reliability assessment is performed on each construct. The composite reliability value of each construct is expected to be at least 0.7. However, in exploratory studies, the composite reliability value of > 0.6 is acceptable. The results of the SmartPLS algorithm on the composite reliability of each construct are known in the following table:

Table 2. *Composite Reliability*

	Composite Reliability
OAK	**0.867**
PM	**0.906**
MHR	**0.728**

Based on Table 2. , indicating that the fairly good categories of each construct have met the criteria for assessing the reliability of the outer model with a composite reliability value of > 0.7. Thus the outer model analysis proceeds to the stage of validity of the outer model.

The validity of the outer model is performed using convergent validity and discriminant validity. Convergent validity assessment is carried out by looking at the Average Variance Extracted (AVE) value on each construct stating that the AVE value on each good construct is at least > 0.5. SmartPLS Algorithm results on AVE values are summarized in the following Table:

Table 3. *Average Variance Extracted* (AVE)

	Average Variance Extracted (AVE)
OAK	**0.590**
PM	**0.545**
MSDM	**0.663**

Based on Table 3. , indicating that the Average Variance Extracted (AVE) value of each construct on the final model has reached a value of > 0.5. Thus, the proposed model of structural equations already meets the criteria of convergent validity.

Inner Model

Table 4. *R Square*

	R Square
PM	**0.815**
MSDM	**0.691**

Based on Table 4., it is known that the value of R Square for the Community Economy variable is 0.815, this means that the percentage of the influence of the Creative Economy on the Community Economy is 81.5% while sisais 18.5% were influenced by other variables outside of this study.

The R Square value for the Human Resource Management variable is 0.690, this means that the percentage of creative economy influence on Human Resource Management is 69.0% while sisais 31. 0% is influenced by other variables outside of this study.

Direct Effect

Table 5. *Path Coefficients*

	Original Sample (O)	*Sample Mean* (M)	*Standard Deviation* (STDEV)	*Standard Deviation* (STDEV)	*P Values*
EK -> MSDM	**0.898**	**0.886**	**0.054**	**16.519**	**0.000**
EK -> PM	**0.810**	**0.789**	**0.079**	**10.222**	**0.000**
MSDM -> PM	**0.902**	**0.888**	**0.062**	**14.451**	**0.000**

Based on Table 5., the results showed the influence between the Creative Economy on Human Resource Management and the P-Values of 0.000 < 0.05, meaning that there is a positive and significant influence between the Creative Economy and Human Resource Management.

The results show the influence between the Creative Economy on the Community Economy and the P-Values of 0.000 < 0.05, meaning that there is a positive and significant influence between the Creative Economy and the Community Economy.

The results show the influence between Human Resource Management on the Community Economy and P-Values 0.000 < 0.05, meaning that there is a positive and significant influence between Human Resource Management and the Community Economy.

Indirect Effect

Table 5. *Indirect Effect*

	Original Sample (O)	*Sample Mean* (M)	*Standard Deviation* (STDEV)	*Standard Deviation* (STDEV)	*P Values*
EK -> MSDM -> PM	**0.810**	**0.789**	**0.079**	**10.222**	**0.000**

Based on Table 5., the results show empirical evidence that the Creative Economy on the Community Economy through Human Resource Management with the value of the indirect influence coefficient is the P-Values value of 0.000 < 0.05, then the Creative Economy indirectly has a positive and significant effect on the Community Economy through Human Resource Management.

CONCLUSION

The creative economy has become one of the great parts in the development of society. Creative economy is a concept in the new economic era that intensifies information and creativity by relying on ideas and knowledge of human resources as the main production factors in economic activities. Ide is an important factor in the development of the creative economy, especially in society. The creative economy can affect the community's economy by being accompanied by optimal human resource management to be able to take a role in the growth of the economy. The creative economy has a positive and significant influence on the economy of the community in Pematang Serai Village, Tanjung Pura District, Langkat Regency. The creative economy has a positive and significant influence on human resource management. Human resources are the most valuable asset in economic growth, especially intellectual power. Human resources that regulate the entire activity of the economy. In other words, human resources, especially their abilities, wisdom and intellectual power have enormous significance and squeeze in the Village. It is expected with the seriousness and cooperation of all parties, both the public, government and the private sector in developing the creative economy so that their products have innovative value and high competitiveness and are useful in improving a better community economy.

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