

A Local Wisdom-Based Human Resource Development Strategy for Enhancing the Competitiveness of the Bead Handicraft Industry Center in Gudo District, Jombang

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ABSTRACT

Human resource development (HRD) is a strategic instrument for strengthening the competitiveness and sustainability of creative small industries. This study analyzes local wisdom-based HRD strategies in improving the competitiveness of the bead handicraft industry center in Gudo District, Jombang Regency. A qualitative case study approach was employed to capture HRD practices, local cultural values, and competitiveness dynamics within the industry. Data were collected through in-depth interviews, observation, and documentation involving business owners, senior artisans, young artisans, village officials, and relevant government agencies. The data were analyzed using the interactive model of Miles, Huberman, and Saldaña, complemented by thematic coding through open coding, axial coding, and selective coding. The findings show that HRD in the Gudo bead handicraft center is implemented through informal apprenticeship, intergenerational transfer of tacit knowledge, government-facilitated training, and gradual digital marketing adoption. Local wisdom values, including mutual cooperation, perseverance, collaboration, and a family-oriented work culture, support knowledge sharing and strengthen artisans' work ethic. Local wisdom-based HRD contributes to product quality, design innovation, cultural identity, market access, and business sustainability. However, the industry faces challenges related to artisan regeneration, uneven digital literacy, competitive pressure, and fluctuating raw material prices. The study concludes that integrating local wisdom and modern competence development can serve as an adaptive HRD model for creative industries rooted in local culture.

Keywords : human resource development; local wisdom; competitiveness; creative industry; bead handicraft

I. INTRODUCTION

The increasingly competitive business environment requires small and medium-sized industries to possess human resources (HR) that are adaptive, creative, and capable of generating added value. In the context of the creative industry, business competitiveness is not only determined by the availability of capital and raw materials, but also by the ability of business actors to

manage knowledge, skills, innovation, and the cultural identity embedded in their products. Armstrong (2021) explains that human resource development is a systematic process aimed at improving individuals' competencies, knowledge, and skills in order to support the achievement of organizational goals. Therefore, human resource development constitutes an important foundation for the sustainability of creativity-based small industries.

Craft-based creative industries have characteristics that differ from those of modern manufacturing industries. Most of their production processes rely on manual skills, work experience, precision, design creativity, and tacit knowledge inherited through everyday practice. Such tacit knowledge is not always formally documented, but is embedded in family interactions, communities, and the workplace environment. Therefore, human resource development strategies in craft industries need to take socio-cultural aspects into account, rather than focusing solely on technical and managerial dimensions.

One relevant approach is human resource development based on local wisdom. Local wisdom reflects the values, norms, practices, and knowledge of a community that are passed down from generation to generation. In the context of regional economic development, local wisdom can function as social capital that strengthens solidarity, work ethic, production networks, and product identity. Sedyawati (2020) emphasizes that local culture does not merely serve as a symbolic heritage, but also as a source of values that can shape community behavior. In creative industries, local wisdom can serve as a basis for product differentiation as well as a source of competitive advantage that is difficult for competitors to imitate.

The creative economy has increasingly become a strategic sector for local economic development because it links creativity, cultural identity, innovation, and market value. UNCTAD (2024) reports that creative services exports reached USD 1.4 trillion in 2022, increasing by 29% since 2017, while creative goods exports reached USD 713 billion. This indicates that creativity-based industries have become an important source of economic growth and competitiveness.

In the context of creative industries, local wisdom can strengthen competitiveness by providing cultural uniqueness, product identity, and social values that are difficult to imitate. Mahrinasari et al. (2024) emphasize that local wisdom and government support play an important role in strengthening the sustainable competitive advantage of creative industries. MSME competitiveness is closely related to the ability of business actors to improve business strategies, manage internal and external factors, and adapt to an increasingly competitive market environment. Giovanni, et al (2024) emphasize that MSMEs need to evolve and upgrade their business strategies in order to compete effectively in a competitive marketplace.

Gudo District, Jombang Regency, is one of the areas known as a center of bead handicraft production, particularly in Plumbon Gambang Village. This industrial center has developed since the late 1980s and produces various products made from recycled glass, such as accessories, prayer beads, keychains, and jewelry. The existence of this industry not only supports the household economy of artisans, but also represents a local creative economic identity. Gudo bead products possess aesthetic value, technical craftsmanship, and cultural distinctiveness, which differentiate them from similar handicraft products.

Despite its considerable potential, the Gudo bead handicraft industry center faces a number of challenges. These include changes in consumer preferences, competition from similar products, limited design innovation, uneven digital literacy, fluctuations in raw material prices, and issues related to artisan regeneration. Based on informants' statements, not all young people are interested in continuing the profession as artisans, as some perceive employment in the formal sector or factories as more promising. This condition has the potential to weaken the process of skill inheritance and the long-term sustainability of the industry.

Previous studies on creative MSMEs have generally emphasized technical training, marketing, product innovation, or business sustainability. Studies on Gudo bead handicrafts have also focused more on design and marketing aspects. Meanwhile, studies that specifically position local wisdom as the basis of human resource development strategies to enhance the competitiveness of industrial centers remain relatively limited. This gap indicates the need for research that connects the practice of skill inheritance, local cultural values, modern training, and industrial competitiveness within an integrated analytical framework.

Based on this background, this study aims to: (1) analyze the human resource development strategies implemented in the Gudo bead handicraft industry center; (2) identify the forms of local wisdom that support human resource development; (3) explain the contribution of local wisdom-based human resource development to industrial competitiveness; and (4) formulate strategic implications for business actors, village governments, and relevant government agencies. The novelty of this study lies in the integration of traditional skill inheritance, local wisdom values, and digital technology adaptation as a model of culture-based human resource development in the creative industry.

II. LITERATURE REVIEW

Human Resource Development

Human resource development refers to a planned process aimed at enhancing the capacity of individuals and groups through learning, training, work experience, mentoring, and competency strengthening. In the context of MSMEs, human resource development is not always carried out through formal systems, but often takes place through direct learning, work practices, and the transfer of experience from senior business actors to workers or family members. Armstrong (2021) emphasizes that human resource development should be directed toward improving competencies that are relevant to organizational needs and changes in the business environment.

Human resource development in creative SMEs should not only focus on technical production skills, but also on strengthening digital competence, innovation capability, and market adaptation. Budiarti and Firmansyah (2024) show that the digital transformation of human resources and digital talent is positively associated with innovation capability among SMEs. Human resource digital competence has become increasingly important in creative economy SMEs because it supports innovation capability, market adaptation, and competitive advantage. Budiarti and Firmansyah (2024) show that digital transformation of human resources and digital talent is positively associated with innovation capability among SMEs.

In craft industries, human resource development is closely related to the mastery of production skills, design creativity, the ability to maintain product quality, business management, and marketing adaptation. Susanto and Wibowo (2021) explain that human resource competencies play an important role in building the competitive advantage of MSMEs, as the quality of the workforce determines the ability of enterprises to innovate and respond to market changes.

Local Wisdom as Social Capital

Local wisdom refers to a set of values, knowledge, and social practices that develop within a community and are passed down across generations. Values such as mutual cooperation,

perseverance, kinship, trust, and collaboration can serve as social capital that strengthens coordination among economic actors. In creative industries, local wisdom also functions as a source of product identity, meaning that products are valued not only for their economic function, but also for the cultural meanings they embody.

Sari and Handayani (2022) demonstrate that the preservation of local wisdom can be pursued through community-based economic development. From the perspective of human resource development, local wisdom does not merely function as a cultural background, but also as a mechanism of social learning that shapes work ethic, communication patterns, solidarity, and the willingness to share knowledge. Local wisdom may function as social capital that shapes cooperation, trust, responsibility, and collective resilience among SMEs. Gunawan et al. (2023) argue that local wisdom-based social responsibility can improve SME competitiveness by integrating cultural values into business practices.

Competitiveness of the Creative Industry

Industrial competitiveness can be understood as the ability of enterprises to maintain and improve their market position through product quality, innovation, efficiency, differentiation, and the ability to meet consumer needs. Porter (1985) identifies differentiation as one of the main strategies for building competitive advantage. In craft industries, differentiation may emerge from unique designs, artisans' skills, cultural narratives, and local identity. From the perspective of the resource-based view, resources that are valuable, rare, difficult to imitate, and difficult to substitute can serve as sources of sustainable competitive advantage (Barney, 1991). Bead-making skills, tacit knowledge, community networks, and local wisdom values within the Gudo industrial center can be regarded as strategic resources because they are not easily replicated by competitors outside the community.

Digital marketing capability enables MSMEs to expand market access, improve product visibility, and respond to changing consumer behavior. Purwanti et al. (2022) found that digital marketing capability has a positive effect on MSME performance, while environmental dynamism strengthens this relationship. Digital capabilities can be treated as strategic resources for creative economy MSMEs because they support product innovation, market reach, and business competitiveness. Giovanni et al. (2024) emphasize that MSME performance can be assessed through financial performance, product sales, and marketing strategy, while the use of combined offline and online marketing methods provides higher marketing potential for MSMEs.

III. METHODS

This study employed a qualitative approach with a case study design. The qualitative approach was chosen because the study aims to gain an in-depth understanding of local wisdom-based human resource development practices in the Gudo bead handicraft industry center. According to Creswell (2018), qualitative research is used to explore and understand the meanings that individuals or groups assign to a social phenomenon. A case study design was adopted because this research focuses on a specific context, namely the bead handicraft industry center in Gudo District, Jombang Regency.

The research was conducted in Plumbon Gambang Village, Gudo District, Jombang Regency, East Java. This location was selected purposively because it is a bead handicraft production center that has developed as a leading local industry and continues to preserve the

practice of skill inheritance and community-based cultural values. The research informants were selected using purposive sampling, namely the selection of informants based on the relevance of their knowledge, experience, and involvement in the Gudo bead handicraft industry center. The informants consisted of business owners, senior artisans, young artisans, village officials, and representatives of relevant government agencies. The details of the informants are presented in Table 1.

Table 1. Research Informants

Code	Type of Informant	Length of Experience	Selection Consideration
I1	Business owner	25 years	Possesses knowledge of human resource development strategies, production patterns, marketing, and business management.
I2	Senior artisan	20 years	Understands the process of skill inheritance, work values, and production culture.
I3	Young artisan	7 years	Represents the perspective of regeneration, learning, and adaptation among the next generation.
I4	Village official	8 years	Possesses knowledge of village government support for the industrial center.
I5	Relevant government agency representative	10 years	Understands training programs, facilitation, and policies related to MSME development.

Primary data were obtained through in-depth interviews and field observations, while secondary data were collected from local government documents, MSME data, scientific articles, books, and documentation of industrial activities. The use of multiple data sources was intended to strengthen the depth of information and the validity of the findings.

Data were collected through in-depth interviews, observation, and documentation. The interviews were conducted in a semi-structured manner to enable the researcher to obtain information relevant to the research focus while also allowing informants to explain their experiences openly. Observations were carried out on production activities and interactions among artisans to understand human resource development practices and the application of local wisdom values in business activities. Documentation was used to complement the data in the form of business profiles, training archives, activity photographs, and other supporting documents.

Data analysis was conducted using the interactive model of Miles, Huberman, and Saldaña (2014), which consists of data condensation, data display, and conclusion drawing and verification. In addition, this study applied thematic analysis through the stages of open coding, axial coding, and selective coding, as described by Saldaña (2021). Open coding was conducted by assigning labels to important information, axial coding was carried out by connecting codes with similar meanings, while selective coding was used to formulate the core themes of the study.

Table 2. Example of the Data Coding Process

Initial Code	Category	Main Theme
Skill inheritance from family members	Informal human resource development strategy	Community-based learning
Design and digital marketing training	Development of modern competencies	Market and technological adaptation
Mutual cooperation during large orders	Local wisdom value	Social capital in production
Perseverance and precision in	Local work ethic	Product quality and

Initial Code	Category	Main Theme
production		consistency
Marketing through social media/marketplaces	Digital marketing capability	Expansion of market access
Declining interest among young people	Regeneration barrier	Risk to industrial sustainability

Data trustworthiness was ensured through source triangulation, technique triangulation, and time triangulation. Source triangulation was conducted by comparing information obtained from business owners, senior artisans, young artisans, village officials, and relevant government agencies. Technique triangulation was carried out by comparing the results of interviews, observations, and documentation. Time triangulation was conducted by checking information on different occasions to obtain data consistency. The verification of findings was conducted continuously throughout the data collection and analysis process.

IV. RESULTS AND DISCUSSION

Context of the Gudo Bead Handicraft Industry Center

The bead handicraft industry center in Gudo District represents a local creative industry that has grown based on community skills. Production activities do not only take place in formal business premises, but also within artisans' household environments. This pattern indicates that the bead handicraft industry is closely linked to the social structure of families and communities. Production skills, material selection, pattern formation, coloring, and product finishing are learned through direct practice and repeated experience.

The main characteristics of this industry center lie in the use of manual skills and design creativity. The products produced vary in form and function, including accessories, prayer beads, keychains, and jewelry. Product uniqueness is determined not only by the use of recycled glass materials, but also by artisans' ability to process patterns, colors, and shapes according to consumer demand. Therefore, the quality of human resources is a key factor in maintaining product quality and competitiveness.

Human Resource Development Strategy through Skill Inheritance

The findings indicate that the most dominant human resource development strategy in the Gudo bead handicraft industry center is informal skill inheritance. Most artisans acquire production skills from their families or surrounding communities. This process takes place through direct practice, observation, imitation, correction, and habituation. Such a learning pattern reflects the transfer of tacit knowledge, which is a distinctive feature of community-based craft industries (Budiarti & Firmansyah, 2024; Giovanni et al, 2024) . "Most workers here learn to make beads from their parents or family members. There is no special school, but the skill has been passed down since childhood through direct practice at home." (I1)

This quotation shows that households and communities function as the main learning spaces for artisans. From the perspective of human resource development, this pattern can be understood as an informal apprenticeship that enables technical skills to be inherited gradually. The strength of this model lies in the fact that the learning process takes place close to production realities, allowing prospective artisans not only to learn techniques, but also to

understand quality standards, work rhythms, and the production ethos prevailing within the community.

Nevertheless, informal inheritance also has limitations. Undocumented knowledge is at risk of disappearing when younger generations are no longer interested in becoming artisans. Therefore, human resource development strategies need to be directed toward skill documentation, structured training, and the establishment of more systematic learning spaces without eliminating the local character that has become the strength of the industry center.

Integration of Formal Training and Digital Adaptation

In addition to informal learning, human resource development is also carried out through training facilitated by local governments, relevant agencies, and MSME support institutions. The training includes product quality improvement, design innovation, packaging, business management, and digital marketing. Such training is important because it helps artisans adapt to market changes and shifts in consumer behavior. "We regularly provide training on product design innovation, digital marketing, and packaging so that bead products can compete in a wider market." (I5)

This finding indicates that human resource development in the Gudo industry center does not stop at the preservation of traditional skills, but has begun to move toward strengthening modern competencies. Digital adaptation has become important because the marketing pattern of handicraft products no longer depends solely on buyers visiting stores or production centers. Social media and marketplaces have begun to be used to expand market reach and introduce products to consumers outside the region. "Nowadays, many buyers know about our products through social media. In the past, we only waited for buyers to come to the shop." (I1)

This statement indicates a shift in marketing orientation from passive to more active. Digital capability expands the competitive space while also opening new market opportunities. However, artisans' digital capabilities remain uneven. Therefore, further training needs to be directed toward applicable technical practices, such as product photography, product description writing, digital catalog management, marketplace utilization, and online customer service.

Local Wisdom as Social Capital for Human Resource Development

The local wisdom most evident in the Gudo bead handicraft industry center includes mutual cooperation, collaboration, perseverance, kinship, and mutual assistance. These values function not only as social norms, but also as factors supporting production processes and human resource development. When large orders are received, artisans help one another so that production can be completed on time. "When there is a large order, we usually help each other. The most important thing is that the order is completed on time, even if it is not our own order." (I2)

The culture of mutual cooperation shows that relationships among artisans are not purely competitive, but also collaborative. This collaboration forms social capital that strengthens the resilience of the industry center when facing order pressures, labor limitations, or changes in market demand. In the context of competitiveness, social capital functions as an informal coordination mechanism that makes the industry center more flexible and responsive. Local wisdom is also reflected in the culture of shared learning between senior and young

artisans. Senior artisans guide younger generations in understanding the production process, from material selection and pattern formation to firing and finishing. This process transfers not only technical skills, but also work attitudes such as patience, precision, perseverance, and responsibility. "I learned directly from my father since junior high school. At first, I only helped select materials, then learned to make patterns, until I was finally able to produce them myself." (13)

This finding shows that local wisdom serves as a medium for developing work character. In craft industries, work characteristics such as precision and perseverance are crucial in determining product quality. Therefore, local wisdom should not be viewed as a supplementary aspect, but rather as part of a human resource development system that shapes both the technical and non-technical competencies of artisans (Gunawan et al., 2023; Mahrinasari et al., 2024).

Contribution of Human Resource Development to Industrial Competitiveness

Local wisdom-based human resource development contributes to the competitiveness of the bead handicraft industry center through four main aspects: product quality improvement, design innovation, strengthening of cultural identity, and expansion of market access. First, skill inheritance and direct learning enable artisans to maintain production quality standards. Skills honed through repeated practice help artisans produce products that are neater, more consistent, and aligned with consumer demand.

Second, training and interaction with the market encourage design innovation. Artisans have begun to adjust motifs, colors, shapes, and product functions according to changes in consumer preferences. Design innovation is important because handicraft products are strongly influenced by trends and buyer preferences. Without innovation, products risk being perceived as monotonous and may lose competitiveness against similar products.

Third, cultural identity serves as a source of differentiation. Gudo bead products possess value not only as accessories or functional items, but also through their local narratives, handmade production processes, and the traces of community-based skills embedded in them. This differentiation can become a competitive advantage because it is difficult for mass producers to imitate perfectly.

Fourth, digital marketing capability has begun to expand market access. When products are promoted through social media and marketplaces, the industry center no longer depends solely on local buyers or tourists who visit directly. This transformation strengthens business growth opportunities, although it still requires a more evenly distributed improvement in digital literacy. Previous studies indicate that digital marketing capability and combined online–offline marketing strategies can improve MSME performance, expand market reach, and strengthen marketing effectiveness (Purwanti et al., 2022; Giovanni et al., 2024; Budiarti & Firmansyah, 2024).

Table 3. Contribution of Local Wisdom-Based Human Resource Development to Competitiveness

Aspect of Human Resource Development	Form of Implementation	Contribution to Competitiveness
Skill inheritance	Learning from family members, direct practice, and mentoring by	Maintains quality, technical consistency, and the sustainability of production

Aspect of Human Resource Development	Form of Implementation	Contribution to Competitiveness
Mutual cooperation values	senior artisans Helping each other during large orders and sharing production experience	knowledge. Improves production flexibility, solidarity, and the resilience of the business community.
Formal training	Training in design, packaging, business management, and digital marketing	Encourages product innovation, business professionalization, and market adaptation capability.
Perseverance and precision	Habituation of work standards through repeated practice	Improves product quality and consumer trust.
Digital marketing	Promotion through social media and marketplaces	Expands market reach and increases product visibility.
Local cultural identity	Handmade product narratives based on the Gudo community	Creates product differentiation and added value.

Supporting and Inhibiting Factors

The success of local wisdom-based human resource development is influenced by both supporting and inhibiting factors. Supporting factors include inherited skills, community solidarity, village government support, government agency training programs, and product uniqueness. Village government support is reflected in the facilitation of promotion and involvement in exhibition activities. "The village government continues to support training activities and product promotion through various exhibitions so that community businesses can continue to develop." (I4)

On the other hand, the most prominent inhibiting factor is artisan regeneration. Some young people prefer other jobs that are perceived as more stable. This condition may threaten the sustainability of the industry center if it is not anticipated through cadre development programs, youth entrepreneurship incubation, and efforts to improve the image of the artisan profession as a creative occupation with economic value. "Young people today prefer working in factories rather than becoming artisans because they consider factory jobs more promising." (I2)

Other obstacles include uneven digital literacy, pressure from similar product competition, and fluctuations in raw material prices. Based on informants' statements, increases in the prices of glass and supporting production materials affect operational costs. Under these conditions, improving cost management competencies, product diversification, and marketing strengthening becomes increasingly important.

Table 4. Supporting and Inhibiting Factors in Local Wisdom-Based Human Resource Development

Category	Factor	Strategic Implication
Supporting	Inherited skills and senior artisans' experience	Need to be documented through simple modules, practice videos, and community learning classes.
Supporting	Culture of mutual cooperation and kinship	Can be developed into cooperatives, business groups, or joint production forums.
Supporting	Support from village government and relevant agencies	Needs to be directed toward continuous training, digital mentoring, and integrated promotion.

Category	Factor	Strategic Implication
Supporting	Product uniqueness based on local culture	Can be strengthened through industry center branding, product narratives, and certification or local identity labeling.
Inhibiting	Suboptimal artisan regeneration	Requires youth apprenticeship programs, creative entrepreneurship incubation, and school- or community-based training.
Inhibiting	Uneven digital literacy	Requires MSME digital clinics, marketplace assistance, and product content training.
Inhibiting	Competition from similar products	Requires design innovation, differentiation, quality improvement, and expansion of marketing channels.
Inhibiting	Fluctuations in raw material prices	Requires cost management, supplier cooperation, collective stock management, and production efficiency.

Model of Local Wisdom-Based Human Resource Development Strategy

Based on the research findings, the local wisdom-based human resource development strategy in the Gudo bead handicraft industry center can be formulated as an integrative model. This model positions local wisdom as the value foundation, skill inheritance as the mechanism of knowledge transfer, formal training as competency strengthening, and digitalization as a means of expanding competitiveness. The model emphasizes that cultural preservation and competency modernization should not be treated as opposing forces, but rather integrated in a mutually reinforcing manner.

Table 5. Formulation of a Local Wisdom-Based Human Resource Development Strategy Model

Strategic Component	Direction of Strengthening	Recommended Programs
Skill inheritance	Maintaining the continuity of tacit knowledge across generations	Community practice classes, youth apprenticeships, production technique documentation, and the involvement of senior artisans as mentors.
Strengthening local values	Establishing mutual cooperation, perseverance, and kinship as the work culture of the industry center	Artisan forums, collective production work, joint business groups, and community work ethic standards.
Technical competency improvement	Improving quality, design variety, finishing, and packaging	Training in design, simple quality control, packaging, and product diversification.
Business management strengthening	Improving bookkeeping, cost calculation, and production planning capabilities	MSME bookkeeping training, cost of production calculation, and raw material inventory management.
Digital marketing	Expanding markets and increasing product visibility	Training in social media, marketplaces, digital catalogs, product photography, and online customer service.
Local identity branding	Transforming Gudo's distinctiveness into product added value	Strengthening collective branding, product storytelling, thematic exhibitions, and promotion of handicraft shopping tourism.

Discussion

The findings show that human resource development in the Gudo bead handicraft industry center cannot be separated from the socio-cultural context of the community. Skill inheritance through families and communities serves as the main mechanism for shaping artisans' competencies. This finding is consistent with Nonaka and Takeuchi's (1995) view on the importance of tacit knowledge in organizations, namely knowledge embedded in experience that is difficult to transfer solely through written instructions.

This study also reinforces the findings of Kurniawati and Prasetyo (2022), which suggest that local wisdom can strengthen the competencies of MSME actors. However, this study extends those findings by showing that local wisdom functions not only as a cultural value, but also as a mechanism of human resource development that contributes to product quality, design innovation, and market competitiveness. Thus, local wisdom has a strategic function in building the competitive advantage of creative industries. The creative economy has increasingly become an important sector in supporting employment creation, income generation, innovation, and local economic resilience. In this context, craft-based industries are not merely economic activities, but also cultural and social spaces where skills, identity, and community values are transformed into marketable products (UNCTAD, 2022)

Furthermore, the integration of skill inheritance and digital training indicates a process of hybridization between tradition and modernity. Craft industry centers cannot rely solely on traditional skills, but must also develop new capabilities in response to market changes. Rahmawati and Setiawan (2024) emphasize that digital marketing capability plays an important role in enhancing the competitiveness of MSMEs in the creative economy sector. The use of combined online and offline marketing methods is important for expanding market reach and strengthening MSME competitiveness. Giovanni et al. (2024) found that MSMEs using a combination of offline and online marketing methods have higher marketing potential, while MSMEs that rely only on offline methods need to expand their reach through digital platforms. The field findings support this view, as the use of social media has begun to help artisans expand their markets.

From the perspective of competitiveness theory, the uniqueness of local skills and Gudo product identity can be regarded as a source of differentiation. This advantage is relevant to Porter's (1985) perspective on differentiation and Barney's (1991) view of resources that are difficult to imitate. Artisans' skills, mutual cooperation networks, and local cultural identity are strategic assets that are not easily replicated by competitors because they are rooted in the history, experience, and social structure of the community.

Thus, the main contribution of this study is to offer an understanding that human resource development strategies in culture-based creative industries cannot rely solely on technical training. A more effective strategy is to integrate local values, intergenerational knowledge transfer, managerial competency improvement, design innovation, and digital marketing. Such integration can enhance competitiveness while preserving the sustainability of local culture.

CONCLUSION

Local wisdom-based human resource development in the bead handicraft industry center in Gudo District is carried out through skill inheritance, family-based informal learning, formal training, and the strengthening of local cultural values. The values of mutual cooperation, perseverance, collaboration, and kinship function as social capital that supports knowledge

transfer, shapes artisans' work ethic, and strengthens solidarity within the production community.

This strategy contributes to the improvement of industrial competitiveness through enhanced product quality, design innovation, strengthened cultural identity, expanded market access, and business sustainability. Local wisdom-based human resource development also helps preserve the continuity of bead handicraft traditions as part of the creative economic identity of Gudo District. However, the sustainability of the industry center still faces several challenges, including artisan regeneration, uneven digital literacy, market competition, and fluctuations in raw material prices. Academically, this study confirms that local wisdom can be positioned as strategic social capital in the development of human resources in creative industries. Practically, this study demonstrates that cultural preservation and competency modernization can be integrated to build the competitiveness of community-based small industries.

For business actors, it is necessary to strengthen the documentation of production skills, involve senior artisans as mentors, and establish community-based learning classes for younger generations. Business actors also need to improve their capabilities in cost management, packaging, digital marketing, and online customer service in order to compete in wider markets. For village governments and relevant agencies, training programs should be implemented continuously and based on the actual needs of artisans. Assistance programs should not only focus on production, but also on digital marketing, industry center branding, MSME financial management, strengthening the institutional capacity of business groups, and promotion through exhibitions and digital channels. In addition, artisan regeneration programs need to be developed through youth apprenticeships, collaboration with schools, and the incubation of local creative entrepreneurship.

For future researchers, this study can be expanded using quantitative or mixed-methods approaches to measure the effects of human resource competencies, local wisdom, innovation, and digital capability on business performance. Further research may also compare the Gudo industry center with other handicraft centers in order to develop a more generalizable model of local wisdom-based human resource development.

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