



# GRANTEE PROFILE

## FURNITURE STAKEHOLDERS STANDARDIZE AND CERTIFY HUMAN RESOURCE COMPETENCIES THAT LEAD TO BETTER QUALITY AND SAFETY



*“Indonesia’s natural riches alone are not enough to guarantee our success in international markets.*

*Professionalizing our production through the use of standardized competencies is essential.”*

*–Bernadus Arwin,  
owner CV Vina Arya and  
Chairman of CEFED*

The outlook for Indonesia’s home furnishings industry holds promise. Exports grew in value from US\$ 1.4 billion in 2002 to approximately US\$ 1.8 billion in 2006. Indonesia has abundant and diverse forestry resources, and leaders of the home furnishings industry are developing greater sophistication regarding the need to ethically source and certify Indonesian wood products, at the same time they are creating designs and marketing campaigns with stronger consumer appeal.

But these efforts will be not be enough to ensure industry growth unless manufacturing and quality improvements are also made. Indonesia has fallen behind its global competitors in the use of modern technology and in the skill levels and productivity of its human resources. Because of this, the goods produced in Indonesia do not always offer the quality and value available elsewhere, and the image of the Indonesian furniture industry as a whole is suffering.

An essential strategy for combating this problem at the source is to develop and enforce universally accepted standards for human resources in the industry. In recognition of this, industry stakeholders founded a Professional Certification Institution of Furniture and Processed Timber (LSP FOK) in Semarang, Central Java in October 2006. The vision behind the creation of LSP FOK was to empower Indonesia’s furniture and processed timber sectors by promoting and certifying labor competence, in keeping with Indonesia’s national standards (SKKNI). LSP FOK assessors themselves must demonstrate their knowledge and competence according to Indonesia’s National Professionalism Certification Body (BNSP).

Fulfillment of LSP FOK’s mission is dependent on the development of a set of relevant competencies, as well as the training and certification of assessors who will work with Indonesia’s manufacturers to develop skilled human resources.

To move LSP FOK forward from vision to functioning organization, the Center for Furniture Design and Development (CEFED) applied for a Business Innovation Fund grant, seeking the resources needed to develop complete sets of competency standards and train qualified assessors who will help industry adopt these standards. BIF awarded ►►



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*Ten sets of standards were defined and 12 assessors were trained so that companies can correct identified weaknesses and improve the quality of their output.*

*(continued from other side)*

Rp 169,300,000 in grant funds (about US\$ 18,800) for a grant entitled “Functioning Furniture and Processed Woods Professional Certification Institute (LSP-FOK)” which operated from February through August 2008.

CEFED utilized grant funds to cover consulting costs associated with developing 10 sets of standards defined for various activities related to furniture production (saw mill operation, wood treatment, kiln drying, finishing, and packaging and loading), with each set containing from 5 to 40 individual competency units. A total of 12 assessors were also trained, eight in the areas of professional competencies, two in licensing, and two in equipment certification. Once trained, assessors become registered consultants that can be hired by furniture companies independently to build and certify human resource competencies.

The competency exams also allow factory workers in the furniture production and processed timber industries to take exams administered by LSP-FOK to certify their competency levels, so that employers can increase their productivity by hiring and utilizing workers who have demonstrated their attainment of relevant skills.

CEFED was established in Semarang in 2003 as a joint effort by the Investment Board of Central Java, business representatives in the wood furniture and processed timber industries, the Center for Industrial Pollution Prevention Technology (BBTPPI) at the Ministry of Industry, and the University of Diponegoro. In cooperation with international partners such as *Centro Ricerche-Sviluppo Laboratorio di prove Settore Legno-arredo*, CEFED initiates programs to improve human resources, undertake research and development, and further product design, certification, and quality.

The Business Innovation Fund (BIF) is an initiative launched in June, 2007 by SENADA. BIF offers short-term, high impact grants for the development of innovative products for the value chains where SENADA focuses. Details can be found at [www.senada.or.id/innovation](http://www.senada.or.id/innovation).

SENADA is a four-year, USAID-financed project whose goal is to increase Indonesia's economic growth and employment by improving the competitiveness of major, labor-intensive light manufacturing industries. 🌸

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