

Human Resource Management Strategies to Improve Organizational Performance in the Digital Era

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Abstract

This study aims to analyze effective human resource management (HRM) strategies in improving organizational performance in the digital era. The digital era has brought significant changes in work dynamics, requiring organizations to adapt to the latest technology, a more flexible work culture, and the need for HR competency development. This research approach is qualitative with descriptive methods, using primary and secondary data obtained through in-depth interviews, literature studies, and document analysis. The results of this study indicate that the implementation of human resource management (HR) strategies that focus on digital skills development, technology-based performance management, and an organizational culture that is adaptive to technological change can significantly improve organizational performance in the digital era. The use of digital platforms for employee training and development has proven effective in improving technical and leadership skills, while the integration of artificial intelligence (AI) and big data analysis helps companies manage employee performance more efficiently and provide more precise insights for decision making. In addition, the implementation of a culture of innovation and personalization of learning programs based on data analytics also contributes to increasing employee motivation and engagement, which in turn has a positive impact on the company's productivity and competitiveness in the global market.

Keywords: Human Resource Management, Organizational Performance, Digital Era, HR Technology

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1. Introduction

In the era of increasingly advanced digitalization, organizations around the world face new challenges in managing human resources (HR) that are relevant to the needs of the times. Rapid technological developments have changed traditional work patterns to be more dynamic, technology-based, and globally connected (Darmawan et al., 2023). HR is now required to have not only technical competence, but also high adaptability, creativity in solving problems, and adequate digital skills to support organizational transformation (Sastra, 2023). In addition, technological advances also bring the need for flexible workforce management, both through remote work systems and hybrid work patterns, which require organizations to create innovative HR strategies. In facing these changes, the success of organizations will depend greatly on how they integrate technology with HR management that focuses on developing employee competencies, engagement, and well-being (Alwy, 2022).

Human resource (HR) development is one of the key factors that receives great attention,

especially from business organization activists (Rizki, 2022). In facing increasingly competitive global competition, companies need to pay serious attention to HR development as an effort to increase productivity and competitiveness. By continuously developing employee skills and competencies, companies can not only improve individual performance but also encourage overall organizational growth (Nur et al., 2021).

For companies, HR development is not only aimed at meeting short-term needs, but also to create a competitive workforce that is able to compete in the global market. This step is a big challenge as well as a necessity for all organizations in the digital era which is full of change and innovation (Hapriyanto, 2024). This development includes technology-based training, strengthening digital skills, and implementing innovative HR management strategies to meet the needs of the times. Thus, companies can remain relevant and competitive in facing global dynamics (AJi & Mala, 2024).

Human resource management in the digital era plays a strategic role in ensuring that organizations can adapt quickly to changes in technology and market needs. Employee digital competence is a key asset that must be developed to support this transformation (Kirana et al., 2023). In addition, the adoption of technology in HR functions, such as digital performance management systems, predictive analytics, and online learning platforms, has become an inevitable trend. However, many organizations still face gaps in implementing this strategy, especially in terms of integrating technology with employee management (Hakim, 2023).

One of the main challenges in HR management in the digital era is creating a work environment that supports innovation and collaboration, while maintaining employee engagement and motivation (Wahyudi et al., 2023). In a climate where remote work and flexible work are becoming more common, organizations need to develop policies that can balance operational needs and employee well-being. This is becoming increasingly important to maintain employee performance and loyalty in the long term (Laelawati, 2024).

The right HR management strategy plays a crucial role in ensuring that employees have competencies that are relevant to the needs of the times, such as digital skills, adaptability, and creativity in solving problems (Fadli et al., 2024). The implementation of technology-based HR management strategies, such as online training, the use of HR analytics for decision making, and flexible work systems, allows organizations to increase productivity and efficiency. In addition, this strategy also helps create a collaborative and inclusive work environment, which supports optimal employee engagement (Afriyani et al., 2024). By integrating HR development with modern technology, organizations can strengthen competitiveness, improve performance, and face global challenges with more confidence.

This study aims to identify and analyze effective HR management strategies in improving organizational performance in the digital era. With a focus on employee competency development, HR technology implementation, and the creation of an adaptive work culture, this research is expected to provide practical insights for organizational leaders in managing digital transformation. The research approach used is descriptive qualitative, utilizing primary and secondary data to explore best practices in HR management.

Through this research, it is expected to gain a deeper understanding of the role of HR management in supporting organizational success in the digital era. In addition, this study will also identify the obstacles that are often faced by organizations in implementing this strategy, as well as provide practical recommendations to overcome them. Thus, this study is expected to contribute to the development of HR management theory and practice in the digital era.

2. Research Design and Method

This study uses a qualitative descriptive research design that aims to provide an in-depth overview of human resource management (HRM) strategies in improving organizational performance in the digital era. This descriptive approach allows researchers to explore and interpret various aspects related to the application of technology and innovation in HR management. The data collection technique used is the documentation technique, where secondary data is obtained from various sources such as books, academic literature, research reports, and other relevant documents (Sugiyono, 2011). The data collected not only helps in explaining the phenomenon of the role of education and management innovation, but also provides a strong theoretical foundation in understanding the relationship between HR strategy and organizational success.

Data analysis in this study was conducted using a descriptive approach, where the data obtained was analyzed to identify relevant patterns, relationships, and insights. Literature study is the main technique in data collection, where researchers conduct an in-depth review of various literature sources related to the research topic. This literature study provides a comprehensive view of trends, challenges, and opportunities in HR management in the digital era. With this approach, research can produce applicable strategic recommendations for organizations in improving performance through technology and innovation-based HR management.

3. Results and Discussion

Human resources (HR) play a vital role in the success of every organization or company. As a key element, HR functions to support the achievement of organizational goals through its active role in various strategic processes and activities. The existence of competent HR is one of the main factors that determine the effectiveness of an organization in carrying out its operations. With its role covering planning, implementation, and evaluation of activities, HR is the backbone that ensures the organization can run according to the established vision and mission (Sabrina, 2021).

The success of an organization depends greatly on how HR management strategies are implemented and the extent to which employees are able to carry out their duties and responsibilities. An effective HR management strategy not only ensures that employees have the skills and competencies they need, but also creates a work environment that is conducive to innovation and collaboration. In the digital era, this is becoming increasingly important as technology continues to evolve and bring changes to the way organizations operate (Basuki, 2023). Therefore, investment in HR development, such as continuous training, adoption of new technologies, and strengthening an adaptive work culture, is a must for organizations to remain competitive and able to face future challenges.

Rapid technological developments have had a major impact on the business world, changing the way organizations operate and compete. Digital technologies, which are capable of replacing routine and manual tasks, are forcing companies to adapt to these changes in order to remain relevant and competitive (Frey & Osborne, 2013). Companies are now faced with the need to develop human resources (HR) who have strong digital competencies. In facing this technological revolution, it is important for companies to ensure that employees not only have basic skills, but also the ability to adapt to the latest digital tools and systems that support efficiency and productivity.

To achieve competitive advantage amidst digital transformation, companies must be able to integrate technology into their HR management strategy. Organizations that successfully leverage digital technologies in HR management, such as using online learning platforms, HR analytics, and digital-based performance management systems, have the potential to accelerate the achievement of their business goals (Nagel, 2020). Developing HR management strategies that are in line with digital

transformation not only helps companies make the most of technology, but also improves overall organizational performance. Therefore, it is important for companies to design HR policies that support innovation, digital skills development, and work flexibility in order to adapt to the dynamics of ever-evolving technological changes.

Human resource management (HRM) strategies play a very important role in facing the challenges of globalization and increasingly tight competition between companies. Human Resource Management is responsible for ensuring that employees have the knowledge, skills and competencies that are appropriate to the organization's needs in achieving its stated goals. In addition, HR also functions as an agent of change that drives cultural transformation and mindset within the organization to be more adaptive to the ever-changing technological developments (Alwy, 2022). In this context, companies need to utilize digital technology to optimize various processes, from recruitment to performance evaluation, as well as employee career development. The use of technology not only increases operational efficiency but also allows companies to adapt more quickly to market changes and provide a better experience for employees in their career journey. Thus, the implementation of technology-based HR management strategies is the key to increasing organizational competitiveness in the digital era.

The HR strategy in improving organizational performance in the digital era is to improve employees' digital skills. This strategy includes digital employee training and development, as well as the use of technology in performance management. The following are some HR strategies for improving organizational performance in the digital era:

Digital employee training and development

Digital employee training and development has become one of the key strategies in improving HR skills and competencies in the digital era. By utilizing e-learning platforms, webinars, and online courses, companies can provide more flexible and easily accessible training access to employees across locations and times. E-learning platforms enable companies to provide structured training materials that can be independently accessed by employees, whether to improve technical skills or soft skills. In addition, online courses and webinars also allow employees to keep up with the latest industry trends or gain professional certifications that can improve their qualifications. In this way, companies not only improve employee skills but also create a culture of continuous learning that supports the development of the organization.

The implementation of digital training also allows companies to save on operational costs that are usually associated with face-to-face training, such as travel and accommodation costs. Additionally, digital courses and training can be tailored to the specific needs of each employee, enabling personalization of the learning experience. The use of technology in training also allows for easier evaluation of participant progress, by utilizing features such as online exams or data-driven assessments. Thus, digital employee development not only improves their skills but also supports efficiency and effectiveness in training management. Ultimately, this strategy will improve the overall productivity and performance of the organization, while strengthening competitiveness in the increasingly competitive global market.

Effective performance management

Effective performance management in the digital age can be achieved by leveraging technology to monitor, evaluate, and improve employee performance more accurately and in real-time. The use of integrated performance management software allows companies to monitor individual and team performance more easily, identify areas for improvement, and provide faster feedback. These digital tools can also record and analyze various performance metrics, such as target achievement, quality of

work, and productivity levels, making it easier for managers to provide objective evaluations. Additionally, this technology enables a more transparent data-driven appraisal system, minimizing bias and creating equality in employee appraisal.

In addition, technology in performance management allows companies to set and manage goals (OKR or KPI) more efficiently, which are aligned with the organization's vision and mission. The use of digital apps or platforms allows employees to set their personal goals, monitor their progress, and get direct feedback from superiors or coworkers. With this system, managers can make quick adjustments to ineffective strategies or procedures and provide more targeted support to employees. Ultimately, technology in performance management supports the creation of a more productive and responsive work culture, which focuses on results and harnessing the full potential of each individual in the organization.

Organizational culture that is adaptive to technological change

An organizational culture that is adaptive to technological change is an important element in organizational success in the digital era. Organizations that can adapt quickly to technological changes will not only survive but also thrive amidst increasingly fierce global competition. To create an adaptive culture, companies need to encourage employees to continuously learn and develop their digital skills. This can be done through various initiatives, such as providing technology-based training, providing access to the latest digital resources, and creating an environment that supports experimentation and continuous learning. Employees who have an open mindset towards technological change tend to be more prepared to face new challenges and can take advantage of existing innovations.

Encouraging employees to adapt to technology also involves changes in mindset and work approach. Organizational leaders must lead by example in implementing technology and demonstrate how technology can improve work efficiency and effectiveness. In addition, companies need to instill the importance of digital collaboration across teams and departments to improve information flow and faster decision-making. By creating a culture that values change and technology, organizations can ensure that employees not only follow trends but are proactive in identifying and leveraging new technologies that can improve their performance. In the long term, this adaptive culture will strengthen the organization's competitiveness and position the company for success in a dynamic and evolving business environment.

Leadership development

Developing effective leadership in the digital age is critical to ensuring that organizations can successfully navigate technological change. Good leadership not only guides teams to achieve short-term goals, but also prepares them for future challenges and opportunities. Effective leaders must have the ability to understand current technology trends and be able to inspire and motivate teams to adapt to those changes. In the digital age, leaders also need to develop more technical skills and have a good understanding of the technologies relevant to their industry. This enables leaders to make more informed decisions and provide clear direction in the implementation of technology solutions in the organization.

In addition, leadership development is also related to the leader's ability to create an environment that supports collaboration and innovation. Leaders in the digital era must be able to encourage teams to think creatively, dare to take risks, and be open to new ideas that can improve organizational performance. By giving employees the freedom to innovate, and providing the necessary support and resources, leaders can develop individual and team potential to the maximum. Therefore, companies need to implement leadership development programs that emphasize managerial skills, technological capabilities, and interpersonal skills needed to lead in an increasingly digital and connected world. With strong leadership, companies will be better prepared to face change and achieve success in global

competition.

Implementation of innovation culture

Implementing a culture of innovation within an organization is essential to drive growth and ensure sustainable competitiveness in the digital age. A culture of innovation creates an environment where employees feel encouraged to think creatively, try new solutions, and approach challenges in different ways. Organizations that prioritize innovation focus not only on improving products or services, but also on improving internal processes, technologies, and business approaches. To create a culture of innovation, companies must give employees the freedom to experiment, reward new ideas, and provide space for open conversations about improvement and change. With a strong culture of innovation, companies can respond quickly to market changes and customer needs, and create more relevant and valuable products or services.

In addition, a culture of innovation must be implemented continuously to ensure the organization remains at the forefront of technological developments and industry trends. Continuous learning is part of this culture, where each individual is encouraged to continuously improve their skills and knowledge, whether through formal training, self-learning, or collaboration with colleagues and stakeholders. Digital technology can be a very effective tool to support this innovation, from using digital platforms to share ideas to utilizing analytical tools to monitor and evaluate the results of the innovations implemented. Thus, a culture of deep and continuous innovation enables companies to remain relevant in an ever-changing market, as well as enhance their ability to meet challenges and take advantage of new opportunities emerging in the digital era.

Integration of artificial intelligence and big data analytics

The integration of artificial intelligence (AI) and big data analytics in HR management can bring significant changes in increasing organizational efficiency and productivity. AI enables companies to process data faster and more accurately, generating insights that can help in better decision-making. In the HR context, AI can be used to speed up the recruitment process, for example by using algorithms to assess a candidate's suitability for a position based on available data, such as work experience, skills, and job preferences. In addition, AI can assist in analyzing employee performance, providing data-driven recommendations for needed training or skills development, and assisting in planning optimal career paths. By leveraging AI and big data, companies can make more evidence-based decisions, which in turn will improve operational effectiveness and overall organizational performance.

In addition, the use of big data allows companies to gain deeper insights into employee behavior trends and patterns, which can help in formulating more targeted and personalized HR strategies. For example, by analyzing big data related to absenteeism, performance, and job satisfaction levels, companies can identify factors that affect employee productivity and well-being. The data can also be used to design more relevant development programs that target the specific needs of each individual, rather than just based on general assessments. The integration of AI and big data in HR management also supports more predictive human resource management, where companies can project future workforce needs and HR development trends more accurately. Thus, the use of this technology not only improves operational efficiency but also contributes to the development of a smarter and more adaptive organization to change.

Personalization of learning programs

Personalizing learning programs using data analytics allows companies to tailor learning paths to the specific needs of each individual employee. By leveraging analytics technology, companies can

collect and analyze data related to employee performance, skills, and learning preferences. This enables organizations to identify areas that need improvement or further development, and to design more targeted training programs. For example, an employee who needs specific technical skills may be provided with digital-based learning materials or specific training, while a developing leader may be directed to courses focused on leadership development. This approach ensures that each employee receives learning that is relevant to their role, which increases learning effectiveness and optimizes the use of time and resources.

Additionally, personalizing learning gives employees a sense of control over their development process, which in turn can increase motivation and engagement. When employees feel that the training they receive aligns with their career goals and interests, they are more likely to commit to long-term learning. This also leads to more measurable and relevant skill improvements, which can have a positive impact on overall organizational productivity and performance. By using data analytics to personalize learning programs, companies are not only investing in individual development, but also creating a more flexible and adaptive learning environment, which supports organizational growth and sustainability amidst the ever-growing digital transformation.

4. Conclusions

Human resource management (HRM) strategies in the digital era are very important to improve organizational performance. Amid the rapid development of digital technology, companies are required to adopt various HRM strategies that can improve employee capabilities to be more adaptive to changes that occur. Digital skills training and development, effective performance management, and the implementation of a technology-responsive organizational culture are key steps that companies must implement to remain competitive in the global market. Integrating digital technology into various HR processes allows companies to achieve efficiency, optimize employee potential, and increase overall organizational productivity.

In addition, leadership development and the implementation of a culture of innovation are integral parts of a successful HR strategy in the digital era. Leaders who are able to drive change and create an environment that supports learning and innovation will lead the organization forward. In this regard, the use of artificial intelligence (AI) and big data analytics are very relevant to accelerate the data-based decision-making process and to design a more targeted career path for employees. With this technology, companies can gain deeper insights into employee performance and personalize training programs, which in turn increases the effectiveness and efficiency of HR management.

Ultimately, implementing a digital technology-oriented HR management strategy not only helps companies improve performance, but also has a positive impact on employee engagement and motivation. Personalizing learning programs using data analytics ensures that each employee receives training that suits their needs and career aspirations. In this way, companies not only optimize individual performance, but also build stronger competitiveness in the market. For this reason, companies must continue to innovate in the application of technology in HR management in order to face the challenges and opportunities offered by this digital era

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