

Human resource management strategy for enhancing competitive advantage

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ABSTRACT

This research seeks to elaborately describe the actual trends related to the competitive advantages gained from strategic human resource management efforts. The research method in this study is descriptive qualitative with a literature study approach. The sources of data taken are data sources derived from scientific publications relevant to the theme of the paper, consisting of scientific journals, news, opinions and other credible and congruent sources. The results of the study found that employee-based potential development is one of the effective strategies. The roles and strategic human resource roles and functions should be geared towards generate the company's key competitiveness and manage the company's capabilities to be more flexible and dynamic. This strategy is expected to able to stimulate continuous innovation that will integrate human resource management behaviour, so that the company can be managed to be more adaptive to environmental changes.

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1. Introduction

An important part of a company's growth and prosperity is gaining and maintaining a competitive advantage. While companies can do many things for this purpose, one that often goes unrecognised is utilising superior human resource management. Today, many companies are aware of the importance of human resources, but very few of them conceptualise it as one of the strategies to gain competitive advantage. As a result, many companies give up the opportunity to seize competitive advantage through human resource practice initiatives. However, there are some companies that do not let go of the opportunity (Tampubolon, 2014).

Barney told (2009) when a company implements value creation strategies not simultaneously implemented by potential competitors, then we can say the firm has a competitive advantage. When a firm implements a value creation strategy not simultaneously implemented by current or potential competitors and when other firms are unable to duplicate the benefits of this strategy, then we can say the firm has a sustainable competitive advantage (Tampubolon, 2014).

To be able to continue to survive in the industry and achieve the expected goals, one of the key factors that need to be considered is development. To survive in the industry and achieve the expected goals, one of the key factors that need to be considered is the development of the company's competitive advantage. The company's competitive advantage. Competitive advantage is an advantage that can provide added value to the company and only a few other companies can perform similar actions. To be able to create competitive advantage in its business field, the company is expected to be able to use the tools it has so that it can be the key to success in winning the competition. Therefore, the company should be able to

integrate its strategies and various resources in order to create a competitive advantage (Pfeffer & Ulrich, 2001).

Human Resources (HR) has become the most important factor for the success and excellence of a company compared to its competitors. Inyang argues that a company's human resources offer potential synergies for sustainable competitive advantage, if properly empowered and nurtured. Therefore, companies that are able to respond to rapid changes in the external environment by building and maximising the competencies and capabilities of their human resources and aligned with company goals will be able to achieve sustainable competitive advantage (Dianawati Suryaningtyas, 2023).

The concept of HRM as a strategic asset, has implications for both the characteristics and systems within the organisation. HRM strategic assets are capabilities that are difficult to replicate, rare, appropriate, and that specifically provide a competitive advantage for employees. Unlike capital investment, economic scale or patents, a well-developed HRM system can be an intangible asset that can create value when applied to the organisation's operational system so as to improve the company's current capabilities (Kasmawati, 2018).

2. Research Method

A qualitative descriptive approach involves collecting data directly through observation, interviews, or content analysis, and then analyzing the data in depth to identify emerging patterns, themes, and meanings. Traditionally, the case study has been associated with qualitative methods of analysis (Cresswell, 2012). The results of qualitative descriptions are often presented in the form of direct quotations from respondents or participants, with the aim of describing the conditions observed as accurately as possible. Qualitative descriptions often yield a deeper understanding of the complexity of phenomena than quantitative descriptive methods, which focus more on numbers and statistics.

Qualitative method is a means for exploring and understanding the meaning individuals or groups ascribe to a social or human problem. The process of research involves emerging questions and procedures. data typically collected in the participant's setting. data analysis inductively building from particulars to general themes. and the researcher making interpretations of the meaning of the data. The final written report has a flexible structure. Those who engage in this form of inquiry support a way of looking at research that honors an inductive style, a focus on individual meaning. and the importance of rendering the complexity of a situation (King, 1991)

Although qualitative descriptions do not yield broad statistical generalizations, they do allow researchers to explain the context, nuance, and variation within a phenomenon (Raco, 2018). It is important to note that qualitative descriptions are subjective and closely tied to the researcher's interpretation. Therefore, it is important to maintain accuracy and reliability in the data collection process and systematic analysis and to reflect on the influence of researchers on the resulting interpretations. Qualitative research of the 1980s underwent a transformation to broaden its scope of inquiry to include these theoretical lenses (Wisler, 2009).

3. Results And Discussions

Human Resources Strategic Planning

Eric Vetter defines human resource planning as: the process by which management determines how the organisation should move from the current state of human resources to the desired position of human resources in the future. From this concept, HR planning is seen as a linear process, using past (short-term) data and processes as guidelines for future (long-term) planning. Through HR planning, management seeks to get the right people, in the right numbers, at the right place and at the right time and management seeks to do things that result in maximum long-term satisfaction for both the organisation and the individual (Wijayanti, 2017).

The purpose of HR planning is to ensure that the right people are in the right place at the right time. To achieve this goal, HR planning must be aligned with the overall organisational plan. Therefore, to achieve effective HR planning, there must be integration between HR planning and strategic planning Buttler et. al. (1991) argued that integrating HR planning with strategic planning allows companies to overcome problems such as: mergers, international operations, and corporate entrepreneurship (Wijayanti, 2017).

Changes in the external environment require companies to adjust to existing changes by managing change through innovation and achieving competitive advantage in order to win the competition in the business environment or at least be able to survive in the development of increasingly sophisticated information and communication technology. The importance of human resources as a source of competitive advantage that must be managed effectively and efficiently to be able to achieve competitive advantage (Prayitno, 2020).

HR planning as an activity is a process of how to fulfil current and future workforce needs for an organisation. In meeting current labour needs, the HR planning process means an effort to fill/close labour shortages both in quantity and quality. Meanwhile, in meeting future labour needs, HR planning emphasises forecasting efforts regarding the availability of labour based on needs in accordance with future business plans. In other words, the purpose of HR planning is to use HR as effectively as possible in order to have a number of workers who meet the requirements/qualifications in filling vacant positions whenever and whatever the position is. With the availability of information about the needs and desired qualifications, the implementation of recruitment, selection, placement, maintenance, development, and provision of employee welfare will be easier and more controllable (Sunarto, 2010).

The Company's Competitive Advantage

Sustainable competitive advantage is defined as a situation where competitors cannot duplicate the advantages of a company that has a competitive advantage and stops it from competing or rivalling (Tomaselli et al., 2008). Culture can represent a firm's brands, norms, and values shaped by HR practices related to recruitment hiring, and organisational communication. Competitive advantage is sustained when organisational culture is formed as part of people's personal identity and when customers and investors act in accordance with that culture. Strategic human resource management explores the role of HR Managers in supporting business strategy, providing an opportunity to demonstrate their value to the organisation. Many companies face uncertain market situations. In an effort to create and have a sustainable competitive advantage in such situations, companies are constantly improving corporate performance. In its development, the company recognises the potential of its human resources as a source of sustainable competitive advantage (Dianawati Suryaningtyas, 2023).

Authors who subscribe to the resource-based view of the firm view that firms can develop competitive advantage by creating value in ways that competitors cannot replicate. Based View of the Firm's), view that firms can develop competitive advantage, by creating value in ways and forms that competitors rarely or cannot replicate. Although traditional sources of competitive advantage such as natural resources, technology, economies of scale and so on are capable of creating value, it is argued based on this view that these sources are increasingly easy to imitate (Kasmawati, 2018).

Today's increasingly fierce business competition makes company management have to think hard to find the right way to be able to compete. Company must think hard to find the right way to be able to survive and at the same time succeed in achieving the company's management goals. Survive and at the same time succeed in achieving the company's management objectives (profit, market share, growth, etc.). The success of a company will not be separated from the strategy implemented by the company. The main functions of management are related to strategy, namely establish and communicate the unique position of the company, make trade-offs, and trying to create compatibility in various activities (Wijayanti, 2017).

Managing human resources to improve competitiveness

To improve the performance of human resources by increasing the ability and skills to prepare human resources for promotion and solving problems faced by the company. This performance improvement can be done through the process of education, training and HR development. Education and training focuses on several types of skills and expertise that are relatively similar and are carried out in the short term, while the HR development process is more oriented towards improving skills and expertise more broadly and diversely and can be done in the long term. The company's success in increasing competitiveness is highly dependent on the effectiveness and efficiency of operations and business strategies implemented by the company. Flaherty mentions five levels of efficiency and effectiveness of the company, including restructuring operations, reducing operating costs, improving the quality of goods and services, continuous motivation and new product development (Prayitno, 2020).

PSDM methods are known as non-scientific methods and scientific methods. The non-scientific method means that HR planning is based on experience, imagination, and estimates of the planner. This kind

of HR planning has considerable risks, for example the quality and quantity of labour is not in accordance with the needs of the company. As a result, mismanagement and waste that is detrimental to the company.

Vakola argued that sustainable competitive advantage is highly affected by a firm's ability to use its resource (technology, capital, and labor). Therefore, the focus is on how the firm is able to increase and develop the competency of its members. The underlying reason is because technology and capital are easy to be possessed by anyone and anywhere, they cannot guarantee the performance achievement nor become the source of firm competitiveness any longer (Hamdi Harmen, 2012).

Ozcelik & Ferman said, an employee performance is not solely viewed as result of what one has done; the competency that he/she has used in order to perform the duty or solve the problem also matters. Performance management or performance assessment is one of strategic issues in the practices of HRM since it is a means for management to keep the alignment between employee activities and output and the purpose of the organization. Feedback obtained from this performance assessment will be such reference for the management in making decisions related to compensation, succession planning, career development, individual development planning, training, etc. that finally will be related to employee satisfaction fulfillment program, organizational development, and achievement of organizational competitive advantage (Hamdi Harmen, 2012).

Barney (2002) defines strategy as a company's theory of how to compete successfully. how to compete successfully. In general, the implementation of a firm's theory on how to compete will have three implications for the firm's competitive position, namely competitive position of the firm (Mimin Nur Aisyah, n.d.), namely: 1, Compete very successfully to gain competitive advantage (competitive advantage), i.e. if the firm's actions in an industry or market are able to add value and if there are only a few. industry or market is able to add value and if there are only a few firms that are able to do the same; 2, Companies that are able to perform similar actions; 3, Competing successfully to gain competitive parity, i.e. if the firm's actions in an industry or market parity, i.e. if the firm's actions in an industry or market are able to add value and a sufficient number of firms are able to do so; 3, Add value and there are a sufficient number of firms that are able to take similar similar actions; 4, Compete unsuccessfully to gain a competitive disadvantage, i.e. if the firm's actions in an industry or market fail to add economic value.

Digital HRM

Today HR can be seen in the form of portal, rather than a person. Almost every firm is now providing access to HR services via technology and web-based applications universally, gradually changing the practice of human resource management. According to the report of Transforming HR through technology conducted by Richard D. Johnson and Hal G. Gueutal all the organizations that are combining their HR management processes with effective HR technology are more likely to be productive and profitable than those that are not doing the same (Sharma et al., 2022).

The concepts of „digital employees“, „digital natives“, „net generation“ „millennial“, is assumed that the early, intimate and enduring interaction with digital technologies has shaped a new generation of people with distinctively different attitudes, qualifications, behaviours and expectations (Bhanu Prakash et al., 2019). Virtual reality (VR), which depicts the simulation world, has undergone numerous technological evolutions in the past decade, as a result of technological advancements including telepresence (Najam et al., 2022). Digital tools should not be seen as substitutes for traditional HR processes but rather as tools that allow them to be facilitated. However, to achieve the highest level of effectiveness and efficiency, some traditional processes need to be modified to best adapt them to new technologies (Maria, 2020). The electronic HRM (e-HRM) concept was initially applied to describe the digitalization processes in the area under consideration, which includes various approaches to integrating personnel management mechanisms and ICT (Zavyalova et al., 2022).

Human Resources (HR) on the other hand play significant role in ensuring the success or otherwise of an organization. The growth and expansion at organizational level would eventually translate to economic growth at the macro-economic level, therefore, the significant (Bakare, 2020). In the millennial era, current generations are considered the digital workforce, they have internet-connected devices and web-based applications and services have always fascinated their everyday lives (Varadaraj & Al Wadi, 2021). Recent strategic human resource management (SHRM) researches have paid a major attention to the overall issues of managing people which are integrated on corporate level (Fairuzabadi, 2012).

It is urgent to carry out HRM from a strategic height, and its HR strategy must be compatible with the strategic development of enterprises in order to compete in the increasingly fierce global talent market. The degree of enterprise management modernization and the ability of enterprise managers to make quick, informed decisions are both directly related to an organization's ability to survive (Xie, 2022). certainly, any human resource management event that includes two actors, an applicant and a manager for instance, is a unique interaction. Many HR transactions, though, are very similar. The actors, time, and place may change, but the event retains a core set of properties. A manager is called upon to evaluate many resumes, not just one. Many managers evaluate resumes, not just one. Applicant screening is performed in many time periods, not just once (Hannon et al., 1990). Finally, to increase our insight about HRM roles more research is needed to investigate how and to what extent these roles are affected by occupational and organizational characteristics. The ethical dimensions of using digital technologies to access store and use employee data need to be even more empirically examined. The communities they serve and the groups and individuals within these communities gain a voice with which to be heard.

4. Conclusion

One thing that should not be overlooked in organisational practice is the importance of integration or integration between business planning and HR planning. Business planning followed by good HR planning will result in the effectiveness and efficiency of achieving organisational goals. Conversely, business planning that is not accompanied and followed by good HR planning will result in a higher level of effectiveness and efficiency in achieving organisational goals. Good HR planning will only result in high costs and huge use of other resources.

The creation of sustainable competitive advantage is an important factor in strategic management because with this competitive advantage the company is able to continue to operate, win the competition and achieve company goals. This sustainable competitive advantage can be built by paying attention to strategy and resources as key success factors organisation. Management must also continue to pay attention to competitive environmental factors and technological developments that continue to change in order to always be able to adapt and respond quickly or even faster than these changes (DIANA, 2014).

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