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# Innovative Human Resource Management Strategy In The Digital Era

# Strategi Manajemen Sumber Daya Manusia Yang Inovatif Di Era Digital

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#### **ABSTRACT**

In the era of rapidly developing digitalization, organizations are faced with new challenges in managing their human resources (HR). Rapidly evolving technological skills, changing work paradigms and increasingly higher expectations from workers require innovative HR management approaches. This research aims to explore the innovative strategies used by organizations in managing their human resources in the era of digitalization. The research method used is a qualitative study with descriptive methods. The research results show that the implementation of innovative strategies in developing human resources (HR) in the digital era has a significant positive impact. Through an inclusive and progressive approach, organizations are able to increase employee creativity, motivation and engagement by providing opportunities to express their ideas. Training that is appropriate to current developments has also proven effective in updating employee skills so that they remain relevant in the face of technological and industrial changes. Rewarding employees strengthens a culture of appreciation and increases employee retention, while aligning HR development with the existing budget helps in optimizing the use of resources. Recording the results of HR development evaluations allows organizations to identify successes and areas of improvement in development programs. Thus, these strategies play an important role in ensuring optimal quality HR performance and sustainable contribution to organizational success in the digital era.

Keywords: Innovative Strategy, Human Resource Management, Digital Era, Digital Transformation.

#### **ABSTRAK**

Di era digitalisasi yang berkembang pesat, organisasi dihadapkan pada tantangan baru dalam mengelola sumber daya manusia (SDM). Keterampilan teknologi yang berkembang pesat, perubahan paradigma kerja dan ekspektasi yang semakin tinggi dari para pekerja membutuhkan pendekatan manajemen SDM yang inovatif. Penelitian ini bertujuan untuk mengeksplorasi strategi inovatif yang digunakan oleh organisasi dalam mengelola sumber daya manusianya di era digitalisasi. Metode penelitian yang digunakan adalah studi kualitatif dengan metode deskriptif. Hasil penelitian menunjukkan bahwa penerapan strategi inovatif dalam mengembangkan sumber daya manusia (SDM) di era digital memberikan dampak positif yang signifikan. Melalui pendekatan yang inklusif dan progresif, organisasi mampu meningkatkan kreativitas, motivasi, dan keterlibatan karyawan dengan memberikan kesempatan untuk mengekspresikan ide-ide mereka. Pelatihan yang sesuai dengan perkembangan zaman juga terbukti efektif untuk memperbarui keterampilan karyawan agar tetap relevan dalam menghadapi perubahan teknologi dan industri. Pemberian penghargaan kepada karyawan memperkuat budaya penghargaan dan meningkatkan retensi karyawan, sementara penyelarasan pengembangan SDM dengan anggaran yang ada membantu mengoptimalkan penggunaan sumber daya. Mencatat hasil evaluasi pengembangan SDM memungkinkan organisasi untuk mengidentifikasi keberhasilan dan area yang perlu ditingkatkan dalam program pengembangan. Dengan demikian, strategi-strategi tersebut berperan penting dalam memastikan kualitas kinerja SDM yang optimal dan kontribusi yang berkelanjutan terhadap kesuksesan organisasi di era digital. Kata Kunci: Strategi Inovatif, Manajemen Sumber Daya Manusia, Era Digital, Transformasi Digital.

#### 1. Introduction

The digital era brings very rapid technological advances, creating great opportunities to increase efficiency and productivity in various sectors. However, the biggest challenge facing Indonesia is the digital divide caused by the lack of knowledge and skills of human resources in optimizing digital technology and the uneven distribution of Information Technology infrastructure (Kusuma. 2021). This causes divisions between those who have sufficient access

and understanding of digital technology and those who do not, creating deep economic and social disparities (Darmawan et al. 2023).

As stated by Heri (2019), the impact of this challenge is enormous, especially because of the wave of scanning and automation that has emerged due to digitalization. This has resulted in a fundamental transformation in the way work is done in various sectors, posing a threat to pre-existing jobs. As automation processes replace human jobs, rapid adaptation in HR skills and knowledge is needed to keep them relevant in this changing job market (Fajriyani et al, 2023). Efforts to increase digital literacy and improve technological skills are the key to overcoming the challenges of this digital divide and ensuring that society can exploit the positive potential of the digital era without leaving behind those who are marginalized (Alwy, 2022).

Digital transformation, as stated by Harjanti (2004), does not only mean adopting digital technology in organizational operations, but also involves changing culture, processes and strategies to ensure sustainable value creation. For scholars in human resource management, digital transformation brings great opportunities to improve efficiency, productivity and quality of HR services. With the adoption of technology such as cloud-based HRM platforms, data analysis for HR decision making, and mobile applications for employee management, organizations can empower their employees, increase engagement, and create a more dynamic and collaborative work environment (Nuryanto et al., 2020).

However, along with these opportunities, digital transformation also presents significant challenges. As highlighted by Panggabean (2021), these changes can complicate the way employees are managed. For example, the adoption of new technology may require rapid learning and adjustment for employees, while the integration of new systems with existing infrastructure can create technical and organizational barriers. Apart from that, concerns regarding data privacy, information security, and uncertainty regarding the long-term impact of digitalization are also challenges that must be overcome (Umar & Yosepha, 2023).

Many organizations or companies still often ignore their human resource (HR) management factors, even though HR has a very important role in achieving company goals (Riniwati, 2016). Company performance, whether bad or good, is directly influenced by HR performance. Ineffective and efficient HR management can have a direct impact on poor company performance. The importance of effective HR management lies in the fact that HR is not just an asset for the company, but is also the main driver behind strategic and operational achievements (Nuryanta, 2008). Employees who are skilled, motivated and committed can make maximum contributions to the company's productivity, innovation and competitive advantage (Tampubolon, 2016).

However, when HR management is inappropriate, such as a lack of training and development, poor communication, or unfairness in performance appraisals, employees may not reach their maximum potential, and may even experience decreased motivation and engagement (Farchan, 2016). This condition can have a direct impact on product or service quality, customer satisfaction, and ultimately the company's financial performance. In addition, companies that fail to manage HR well can also face challenges such as high employee turnover, difficulty in recruiting new talent, and a bad reputation in the job market which can hinder their growth and competitiveness.

Therefore, the readiness of human resources (HR) is crucial in facing challenges in the digital era. Rapid technological transformation requires employees to have a deep understanding of technology and the ability to adapt to the changes that occur (Lubis, 2023). HR readiness not only includes knowledge of technology, but also interpersonal skills, problem-solving abilities, and a willingness to continue learning and developing (Amelia et al, 2023).

In this context, HR management strategies become very important. Organizations need to develop strategies that pay attention to key aspects in managing human resources in the digital era, including developing technological skills, establishing a work culture that is innovative

and open to change, as well as implementing reward and recognition systems that encourage employees to continuously improve their performance (Sudiantini et al, 2023; Idrus et al, 2023).

An effective HR management strategy must also include the application of sophisticated HRM technology, such as online-based performance management systems, e-learning platforms for employee training and development, as well as data analysis to identify employee trends and potential (Putro, 2024). In this way, organizations can ensure that their human resources are ready to face challenges and take advantage of the opportunities offered by the digital era, thereby supporting employee performance to be more optimal and sustainable (Gunawan, 2024).

The aim of this research is to explore and analyze innovative strategies in managing human resources (HR) in the context of the digitalization era. This research aims to understand how organizations face the challenges that arise due to digitalization and how they develop effective strategies to optimally utilize HR potential. The benefit is that it provides a deeper look at best practices in HR management in the digital era, which can help organizations improve employee performance, optimize the use of technology, and achieve their strategic goals more efficiently and effectively.

### 2. Method

This research adopts a qualitative methodology with a descriptive analysis approach, which is explained as a method for carefully measuring social phenomena (Yulianah, 2022). This research uses a descriptive research type, with the aim of providing an in-depth overview of Innovative Human Resource Management Strategies in the Digital Era. To achieve this goal, the research investigated a variety of library sources, printed documents, and online sources that were chosen purposively and relevant to the research topic. The data analysis technique involves three main stages, namely data reduction, data presentation, and drawing conclusions, which are used to explore a deeper understanding of innovative strategies in HR management in the era of digitalization.

# 3. Results And Discussion

In the digital era, increasing the competence of human resources (HR) is crucial for utilizing digital technology such as big data, internet of things (IoT), robots and artificial intelligence (Artificial Intelligence). Rohida (2018) emphasizes the importance of programs designed to improve skills in understanding and operating these technologies, so that human resources can adapt to the needs of the industry that continues to develop. These skills not only include technical aspects, but also the ability to communicate, work together in teams, and think critically.

The role of HR as the main asset in achieving organizational goals was also emphasized by Sitinjak et al. (2021). To achieve optimal performance, organizations need to create an environment that supports the development of employee skills and abilities. This includes providing relevant training, opportunities to develop on the job, and a motivating reward system. Good employee performance, which is characterized by the ability to achieve work targets on time, makes a significant contribution to the company's success.

In the context of the industrial revolution 4.0, the combination of hard skills, soft skills, expertise in information and communication technology (ICT), and knowledge is becoming increasingly important for human resources. They must be able to adapt to changing paradigms and new technologies that emerge quickly. Therefore, continuous education and training is needed to ensure that Indonesian human resources are ready to face the challenges and take advantage of the opportunities offered by the ongoing industrial revolution.

One way to maintain the quality of HR performance is to carry out training and development of human resources for each employee in the current digital era. The HR

development strategy is not only through education and skills development, but there are many ways to develop them. Below we will describe several innovative strategies for developing human resources in the digital era.

### 1. Provide opportunities for employees to express their ideas

The first innovative strategy in developing human resources in the digital era is to provide opportunities for employees to express their ideas. In an inclusive and open work environment, every individual has the potential to make valuable contributions. By encouraging employees to share new ideas, whether through discussion forums, brainstorming sessions, or dedicated digital platforms, organizations can maximize untapped creative resources. This not only enables faster and more diverse innovation, but also strengthens employees' sense of ownership and involvement in the company's vision and mission.

Furthermore, giving employees the opportunity to express their ideas can also help increase their motivation and engagement at work. When employees feel that their voices are heard and their ideas are valued, they tend to feel more connected to the organization's goals and are more motivated to contribute actively. This can create a more dynamic and collaborative work environment, where every individual feels empowered to participate in the process of change and innovation.

Additionally, giving employees the opportunity to express their ideas can help organizations retain and attract the best talent. When employees feel that they have the opportunity to develop and make significant contributions, they are more likely to stay and invest in their careers at the company. This can help reduce employee turnover, reduce recruiting costs, and strengthen a company's reputation as an attractive and innovative place to work. Thus, this strategy is not only beneficial for HR development, but also for the long-term growth and sustainability of the organization in the rapidly changing digital era.

# 2. Provide training in accordance with current developments

The second innovative strategy in developing human resources in the digital era is to provide training that is appropriate to current developments. In a rapidly changing business environment, technology and industry trends continue to evolve. Therefore, it is important for organizations to continuously update and upgrade the skills of their employees to remain relevant and effective in their work. By providing training that is up to date, organizations can ensure that employees have the latest knowledge and skills needed to face the challenges and opportunities in this digital era.

Training that is appropriate to current developments can also help increase productivity and work efficiency. When employees have a solid understanding of the latest technology and work methods, they tend to work more efficiently and can produce better results in less time. It can also reduce errors and improve the quality of work, which in turn can have a positive impact on the overall performance of the organization.

In addition, providing training that is appropriate to current developments can increase employee satisfaction and loyalty. Employees often seek opportunities to learn and grow in their careers, and providing relevant and useful training can help meet this need. When employees feel that the organization cares about and supports their professional development, they tend to be more engaged and motivated to stay and contribute positively. Thus, this strategy not only helps organizations in developing competent and adaptive human resources, but also in creating a proud and sustainable work environment in the ever-changing digital era.

#### 3. Give appreciation to employees

The third innovative strategy in developing human resources in the digital era is by giving awards to employees. Rewards are not just about providing recognition for individual

achievements, but also about creating a culture of appreciation in the workplace that strengthens employee motivation, engagement and loyalty. In a digital era full of high competition and dynamics, providing rewards is more important than ever to maintain employee morale and well-being.

Rewarding employees can help increase their motivation and engagement at work. When employees feel valued and recognized for their contributions, they tend to feel more connected to the organization's goals and are more motivated to give their best in their work. This can create a positive and productive work environment where employees feel cared for and appreciated, which can ultimately have a positive impact on the company's overall performance.

Apart from that, giving awards to employees can also help strengthen a positive and collaborative work culture. When rewards are given fairly and transparently, it can strengthen a sense of fairness in the workplace and increase collaboration between teams. It can also help build strong relationships between management and employees, as well as between colleagues, which lay the foundation for effective collaboration in completing tasks and achieving shared goals.

Lastly, rewarding employees can also help organizations retain and attract the best talent. Employees who feel valued and recognized for their contributions tend to be more satisfied with their jobs and are more likely to stay long-term. This can help reduce employee turnover, reduce recruiting costs, and strengthen a company's reputation as an engaging and caring place to work. Thus, giving awards is a very effective strategy in strengthening human resource development and creating a positive and sustainable work environment in the everchanging digital era.

# 4. Adjust HR Development to your budget

The fourth innovative strategy in human resource development in the digital era is to adapt human resource development to the existing budget. In the context of sustainable business, budget management is an important factor that needs to be considered when planning HR development activities. Organizations need to ensure that the budget allocation for HR development can support the initiatives needed to strengthen employee competencies and skills.

By adapting HR development to its budget, organizations can optimize the use of available resources without sacrificing the quality or effectiveness of development programs. This can be done by designing efficient and effective programs, which are able to provide significant added value for employees and organizations at affordable costs. For example, organizations can leverage internal resources, such as the use of in-house training by experienced employees, or utilize more affordable online learning platforms.

Apart from that, adapting HR development to your budget can also encourage creativity and innovation in designing more effective and cost-effective development programs. Organizations can look for alternative solutions or new approaches in providing training and development, such as using game-based learning methods, group learning, or internal mentoring and coaching. Thus, even though the budget is limited, the organization can still provide high quality HR development that is relevant to the needs of employees and the organization.

Finally, adapting HR development to the existing budget also allows organizations to be more flexible in adapting development strategies to changing economic conditions or business priorities. When budgets change or are limited, organizations can quickly adjust their development programs without sacrificing focus on employee development. Thus, this strategy not only helps organizations in ensuring efficient and effective use of resources, but also in strengthening organizational resilience and adaptability in facing the ever-growing challenges in this digital era.

## 5. Take notes from the results of HR development evaluations

The fifth innovative strategy in developing human resources in the digital era is to record the results of HR development evaluations. Evaluation is an important step to measure the effectiveness of development programs that have been implemented. By recording evaluation results, organizations can gain a deeper understanding of the successes, weaknesses, and areas for improvement of these programs.

Recording evaluation results allows organizations to identify trends and patterns that emerge from various HR development activities. Data collected from evaluations can be used to analyze the impact of development programs on employee performance, productivity, retention, and job satisfaction. This information can be the basis for making better decisions in designing more effective and relevant development programs in the future.

In addition, recording evaluation results also allows organizations to track individual employees' progress in developing their skills and competencies. By monitoring employee progress over time, organizations can provide more targeted and supportive feedback to help employees reach their full potential. This can also help in planning better career development for each individual employee, according to their needs and aspirations.

Finally, recording evaluation results can also help organizations meet demands for accountability and transparency in human resource development. By having accurate and detailed data on the effectiveness of development programs, organizations can provide clearer information to stakeholders, such as senior management, the board of directors, and employees. This can strengthen trust and commitment to HR development programs, as well as increase support for the investment needed in future HR development. Thus, recording evaluation results is a critical step in ensuring the success and sustainability of human resource development efforts in this digital era.

### 4. Conclusion

Human resource (HR) development in the digital era requires an innovative approach that takes into account various important aspects. In order to ensure optimal quality of HR performance, organizations need to implement several strategies that have been described. First, giving employees the opportunity to express their ideas helps strengthen employee creativity, motivation, and engagement. Second, training that is appropriate to current developments supports efforts to update and improve employee skills so that they remain relevant to the needs of the developing industry. Third, giving awards to employees strengthens a culture of appreciation, motivation and employee retention. Fourth, adapting human resource development to the existing budget ensures efficient and effective use of resources. Finally, recording the results of HR development evaluations helps organizations identify successes, weaknesses and areas of improvement in the programs that have been implemented. By implementing these strategies holistically, organizations can ensure that their people are ready to face the challenges and take advantage of the opportunities offered by the digital era, thereby contributing to the long-term success of the organization.

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