

STRATEGIC HUMAN RESOURCE MANAGEMENT ISSUES AND THEIR INFLUENCE ON COMPETITIVE ADVANTAGE

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Abstract

Strategic human resource management is crucial for gaining a competitive edge for organizations. There are several strategic issues that need to be considered in human resource management, namely organizations must be able to handle employee competency and manage conflicts at work. In order to compete in the global market, businesses must innovate to improve performance as the need to assess productivity grows market, the adoption of information technology must be integrated with organizational strategy. This is important so that technology can increase competitive advantage, not just as a stand-alone tool, The job of human resources is impacted by the constantly shifting business environment. Organizations must reorient human resources' competency and behavior to adapt to new challenges and increase competitiveness. Managing quality human resources is very important. An organization's competitive edge may benefit from effective human resource management. The organization's capacity to compete and endure in a cutthroat business environment is significantly impacted by problems with strategic human resource management.

Keywords: Issues, human resource management, strategic, competitive advantage

INTRODUCTION

Human resources are the main factor in an organization that is built based on the interests of needs and implementation. Human resource management, according to Hamadamin, H. H., & Atan, T. (2019), is the science

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and art of managing employee roles and relationships in order to effectively and efficiently support the achievement of organizational, employee, and societal goals by carrying out human resource management functions such as planning, organizing, procurement, development, compensation, integration, maintenance, discipline, and dismissal. The importance of human resource strategy for organizations includes involving all parties in the organization, concentrating on the continuity of the organization with goals and creating added value, organizational strategy covering the entire reach and depth of the organization, directing change and covering the organization and its environment, a development center for sustainable competitive advantage, development of strategies that are very crucial to spur success. Effective human resource management can give a business a competitive edge by taking into account the internal and external challenges it will face. The strategy that will be put into practice needs to be supported by effective human resource management. Organizational strategy will be successful if the organization is able to enhance human resources' knowledge, skills, and talents in order to manage and enhance their quality. Knowledge-based human resources with skills and expertise are those engaged in this organization's procedures and operations (Delery, J. E., & Roumpi, 2017).

The process of choosing, onboarding, orienting, researching training and development, evaluating performance, determining pay and benefits, inspiring workers, preserving relationships with unionized employees, and guaranteeing worker safety, welfare, and health measures in compliance with national labor laws is known as human resource management (Hans, 2021). Planning, organizing, directing, and managing are management tasks that are included in human resource management. It includes the study of economics, sociology, psychology, management, and communication. It calls for cooperation and team spirit. It is a continuous procedure. The concept of human resource management has expanded to encompass personnel management methods, policies, practices, and philosophies (Gupta, 2020). Beginning with strategic thinking, the growing significance of intangible resources has brought attention to labor and corporate social responsibility concerns as essential components of strategy. The new concept of human resource management differs from personnel management in four key ways: first, it emphasizes employee commitment to enhance performance and loyalty to the organization; second, it places a strong emphasis on employee quality, which is crucial in producing high-quality goods and services that benefit both the organization and its customers. The fourth is integrating organizational

goals into strategic planning to make this policy across the ranks and files of the organization and ensuring that the policy is happily accepted and applied to the daily routine by line managers. The third is to ensure that flexibility plays an important role in the way employees are managed, making them adaptive and receptive to any form of change in all aspects of their work such as working hours (Salmon Y Sanggenafa & Ferdinandus Christian, 2018).

According to Alfawaire, F., & Atan, T. (2021) Aligning with the overarching business plan, human resource management assists firms in achieving both their short- and long-term objectives. There will inevitably be disagreements, confrontations, misunderstandings, and animosities in any job. Even in cases where staff members get along well, conflicts may occasionally develop. When it comes to making sure that workers' voices are heard by management and other team members, human resource professionals frequently take the lead in this regard. The problems that arise in human resource management are getting more complex from year to year. This makes the HR division have to think hard so that these problems do not actually hinder the company's performance.

Widyanty et al., (2020) strategic The management of human resources is crucial to gaining a competitive edge for organizations. There are several strategic issues that need to be considered in human resource management, namely the organization must be able to handle employee competencies and manage work conflicts. Businesses must innovate to improve performance in order to compete in the global market as the need to quantify productivity grows, the adoption of information technology must be integrated with organizational strategy. It is important for technology to increase competitive advantage, not just as a stand-alone tool, The job of human resources is impacted by the constantly shifting business environment. Human resource competencies and behavior must be realigned within organizations in order to new challenges and increase competitiveness.

Managing quality human resources is very important. Failure in this case can reduce the productivity of the company. Therefore, companies must focus on developing and retaining employees who are in accordance with business needs. Effective The competitive advantage can be positively impacted by human resource management of the organization. By managing human resources strategically, companies can improve performance through training and development, employees can work more efficiently and productively, creating Innovation skilled and competent human resources can contribute to product and service innovation, which is the key to competing in the market

(Agustian et al., 2023). Overall, issues in strategic human resource management greatly affect the organization's ability to compete and survive in a competitive business environment.

RESEARCH METHOD

This study uses a descriptive method by collecting data from various reliable sources, including literature studies and recent publications. A descriptive approach is used to describe the issue of strategic human resource management and its influence on business excellence. The first stage in this research method is the collection of literature relevant to the research topic. A literature search is conducted through academic databases, scientific journals, and related publications that discuss the issue of strategic human resource management and its influence on business excellence. The selected literature must be of good quality and relevant to the research objectives. After collecting the literature, an analysis and synthesis of the information found is carried out. Relevant data and information on human resource management, competitive advantage, human resource strategy in business excellence, strategic issues in human resource management related to the research topic.

RESULT AND DISCUSSION

Human Resource Management

Bratton et al., (2021) stated that human resource management is an activity related to planning, decision making, implementation and control of human resources, which includes tactics, guidelines, and deeds as well as the carrying out of these decisions that have an immediate bearing on or impact on the company's human resources. These management decisions are the implementation of human resource functions. According to Human resources are defined by Stone, D. L., & Deadrick, D. L. (2015) as the collective efforts, aptitudes, and capacities of all individuals employed by the business. The functions of human resource management according to Joshi are recruiting, onboarding, training and development, work evaluation, work processes, job structure, disciplinary procedures, motivation, communication channels, security policy implementation, effect planning, and personnel changes.

Human resource management is a function related to the realization of certain results through the activities of people. This means that human resources play an important and dominant role in management. In order for human resource objectives to make a greater contribution to the organization to achieve competitive advantage, an appropriate strategy is needed in

integrated human resource planning (Stewart, G. L., & Brown, 2019). The activities of the human resource strategy are based on cooperation between human resource departments in an integrated manner. The activities of the human resource strategy are based on cooperation between human resource departments led by line managers and senior management participation in communicating the organization's vision and mission, which are summed up in strategic business objectives. Human resources in an organization comprise all of the efforts, aptitudes, and capacities of every individual employed by the firm, according to Marchington et al. (2016). The term "human resources" can also refer to staff, labor, workers, or employees in some organizations, although the underlying concept is always the same. Every individual employed by a company is considered a worker. Organizations, however, are free to refer to people who perform manual labor as workers and non-positional employment as staff. To enable employees to perform effectively in both the organization's and their own best interests, human resource management must be handled by the leadership of the company in the most efficient manner. For this reason, it's critical that positive employee relations need to be implemented with the entire workforce.

Human Resource Management is a process that involves planning, organizing, developing, and controlling all activities related to employees in an organization or company. The main purpose of this management is to ensure that the organization can achieve success through effective management of human resources. Human Resource Management is very important because employees are the main assets in the organization (Legge, 2014). With good management, the company can increase operational effectiveness and efficiency, and achieve its strategic goals. In addition, human resource management also plays a role in creating a corporate culture that supports innovation and growth. Overall, human resource management is a key component in the success of an organization, because it focuses on developing and managing human potential to achieve common goals.

The operations of staff specialists who oversee the personnel objectives of the business are referred to as human resource management. Creating and executing plans to raise the caliber of human resources within the company they oversee is the responsibility of the chief of the human resources department. The human resource management department's employees are in charge of advising and supporting both management and staff. This shows that they have a duty to manage the human resources in the company (Stone et al., 2015). They do this by maintaining and developing the organization's human

resources. The entire workforce will be impacted by the HR department's policies, both in terms of number and quality. As a result, it is their duty to consider the needs of all staff members and management.

Competitive Advantage

One of the essential parts for the growth and prosperity of a company is to gain and maintain competitive advantage. Although companies can do many things for this purpose, One that is frequently overlooked is the application of excellent human resource management. While many businesses today acknowledge the value of human resources, very few see them as a means of creating a competitive edge (Huang et al., 2015). Because of this, a lot of businesses pass up the chance to implement HR practices that will provide them a competitive edge. There are certain businesses, nevertheless, that seize the chance. Businesses are viewed as cohesive organisms that adapt to changes in the business environment by finding new or better ways to accomplish things. This circumstance begs the question of what businesses should actually be doing to sustain or improve the position in a constantly shifting environment. Hagi, A., & Wright, J. (2020) show that, in order to fulfill sustainable competitive human resource advantages, resources must add value to the company, own unique, rare, and non-replaceable human resources. According to Albrecht et al. (2015), in order for human resources to be a source of long-term competitive advantage, they must satisfy the requirements outlined by Barney. Hitka et al. (2019) contend that causal ambiguity and systematic information make human assets the primary source of sustainable advantage unmatched.

Human resources now constitute the primary source of competitive advantage instead of financial resources for technology. Put differently, the success of a company is contingent not just on its technological products or money, but also on the attitudes, competencies, and abilities of its workforce. The capacity of workers to build trust and dedication, express goals, and collaborate in intricate partnerships. We now know that personnel can provide a competitive advantage. A company's competitive strategy and human resource practices are what are required to obtain competitive advantage through them.

Competitive advantage is the ability to overcome existing challenges and take advantage of existing business opportunities, including opportunities to develop oneself to be bigger. Competitive advantage which includes six aspects as explained by Amarakoon et al., (2018) becomes the attraction of a

tourist attraction to attract visitors. In addition to competitive advantage, another factor that is considered to be able to increase customer satisfaction is service quality. Competitive advantage is something that makes an organization have a distinctive characteristic that can be seen from the company's core competencies. Berisha Qehaja, A., & Kutllovci, E. (2015) explained that there are three forms of strategy in achieving competitive advantage, namely product differentiation strategy, cost advantage, and focus strategy.

Human Resource Strategy in Competitive Advantage

Human resource management strategy according to Hsieh, Y. H., & Chen, (2011) is the connection between strategic goals and objectives and human resource management to enhance performance and build an innovative, flexible, and creative corporate culture. Stated differently, it's a plan for controlling the allocation of human resources and taking steps to enhance the organization's capacity to meet its objectives. According to Jatmika et al., (2021) This strategy's primary goal is to sustainably boost performance both now and in the future in order to keep its competitive edge. The organization gains from the process of creating a human resource management plan, namely:

1. Outlining the advantages and disadvantages of HRM in accomplishing corporate objectives.
2. Providing new, enlightening perspectives on problems in human resource management that are results-driven.
3. Putting management commitment tests into practice and developing a system for assigning human resource management to particular projects and endeavors.
4. Pay attention to a few long-term projects, keeping in mind the top priority for the ensuing two or three years.
5. Put into practice a plan that emphasizes staff development and human resource management

There is a growing appreciation for the role of human resources, particularly with regard to their competency in managing the educational community. Appreciation of human resource competence is indeed needed because it will affect the effectiveness of community activities. In order to attain a long-term competitive edge, it is important that have role behavior that supports the implementation of competitive strategies (including innovation strategies, cost reduction strategies, quality improvement strategies) used by

education. Several dimensions of employee role behavior that are needed to support the implementation of educational competitive strategies, namely (Daito et al., 2020):

1. In order to implement an innovation strategy, employees must exhibit high levels of creativity, long-term focus, high levels of cooperation, independent behavior, attention to quality and quantity, balance between process and result orientation, high levels of risk acceptance, and a reasonably high threshold for uncertainty.
2. Cost-reduction strategy: demands comparatively repetitive and predictable behavior from employees; concentrates on the short term; gives individual tasks and automation priority; gives quality enough attention; gives output quantity more attention; is less willing to take risks and favors stable activities.
3. Employee role behavior profiles that are reasonably repetitious and predictable, focus on the medium term, are willing to collaborate, exhibit independent conduct, pay close attention to quality, place a high priority on the process, and are less willing to take risks and is committed to organizational goals. The determining factor for the success of implementing an education strategy lies in human resource management. Education has a good strategy but is not supported by adequate human resource capabilities, then the strategy will not be successful. Because the implementation of the strategy must be supported by the appropriate human resource role behavior for its success and the achievement of educational goals.

The strategies above can be implemented by human resource management by trying not only to manage employees to work hard (cost reduction strategy) or work smart (quality improvement strategy) but also to require employees to work differently (uniquely). The results of the hard work of intelligent employees can create low-cost products with good and unique quality so that they are difficult for competitors to imitate.

Human Resource Strategy plays a crucial role in creating and maintaining competitive advantage in today's era of globalization. Here are some important aspects of human resource strategy that can improve organizational competitiveness according to Ali, M. M. (2019):

1. Employee Competency Development: Organizations need should prioritize the ongoing education and training of staff members in order to enhance their skills and competencies. This enhances not just individual performance but also advances the innovation of the business and operational efficiency.

2. **Talent Management:** Identifying and retaining the best talent is essential. An effective talent management strategy helps companies attract, cultivate and hold onto high-potential personnel, which in turn can improve competitiveness.
3. **Strong Organizational Culture:** Building a positive and inclusive organizational culture might boost workers' contentment with their jobs and loyalty. Employees who feel valued and engaged tend to be more productive and committed to company goals.
4. **Use of Technology in human resource management:** Utilizing information technology to manage employee data and HR processes can improve efficiency. An integrated human resource management system enables companies to better manage employee information and support strategic decision making.
5. **Flexibility and Adaptability:** In a rapidly changing business environment, the ability to adapt to change is key. Human resource strategies must include flexibility in policies and practices to respond to market dynamics and employee needs.

By implementing these strategies, organizations can not only improve internal performance but also create sustainable competitive advantage in the global marketplace.

Strategic Issues in Human Resource Management

Human Resource Management faces various strategic issues that can affect the performance and competitiveness of the company. Here are some key issues to consider (Collins, 2022):

1. **Changes in the Work Environment**

As the economy becomes more global, companies must adapt to rapid changes in the world of work. This includes managing generations of employees of different ages and characters, which affects the way companies manage human resources.
2. **Talent Management**

Talent management issues remain a major focus, especially in managing the millennial generation. Companies need to develop strategies to attract and retain the best talent, which is a valuable asset for business growth and profitability.
3. **Employee Diversity**

Managing diversity in the workplace is becoming increasingly important. Companies must be able to create an inclusive environment and value differences, which can enhance creativity and innovation.

4. Use of Technology

The increasingly massive use of technology in human resource management is a challenge in itself. Companies need to utilize technology to improve the efficiency of HR processes, but must also be careful not to ignore the human aspect of human resource management.

5. Employee Welfare

Employee welfare and job satisfaction are strategic issues that cannot be ignored. Companies that pay attention to employee welfare tend to have higher retention rates and better productivity.

By understanding and addressing these strategic issues, companies can enhance the efficiency of human resource management and, in the end, establish a long-lasting competitive edge.

CONCLUSION

In order to manage an organization's personnel and gain a competitive edge, strategic human resource management is a crucial strategy. This method entails integrating HR procedures with the business's overarching plan for growth. Effective strategic human resource management can strengthen a company's competitive advantage by ensuring that all aspects of workforce management are aligned with business goals and strategies. This involves developing techniques and policies that encourage innovation, adaptation, and sustainable growth. For a firm to have a competitive edge, strategic human resource management is essential.

There are several strategic issues that need to be considered in human resource management, namely the organization must be able to handle employee competency and manage work conflict. With increasing pressure to measure productivity, companies need to innovate in improving performance in order to compete in the global market, the adoption of information technology must be integrated with organizational strategy. Overall, issues in strategic human resource management greatly affect the organization's ability to compete and survive in a competitive business environment. The following are the key issues in The effect of strategic human resource management on competitive advantage:

1. Aligning Human Resources with Business Strategy
2. Competency and Skills Development

3. Performance Management and Assessment
4. Leadership and Organizational Culture
5. Talent Recruitment and Retention
6. Change Management
7. Technology and HR Information Systems
8. Well-Being and Work-Life Balance

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