

Human Resource Management Innovation Strategy in Realizing Competitive Advantage

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Abstract

Human resource management is the most essential thing in an organization. Because superior human resource management can increase competitiveness, for this reason, management needs to study more deeply the resources that can be relied on to compete in a competitive business environment and place leverage on resources that can place the company in a competitive position in the long term. Therefore, human resource management innovation strategies have many managerial implications for business policymakers. The research used a qualitative approach with literature methods (library study), which are appropriate to the current problems. Namely the importance of human resource management strategies to realize superior competitiveness. The results of this research show that human resource management is the heart of corporate or organizational governance. Management strategies and innovations are needed to improve superior and competitive human resources. Steps or forms of innovation strategy for Human Resources (HR): Continuous training in stages and stages, Mastery of technology and digitalization, More active marketing, Forming a solid team, Establishing more comprehensive relationships, Transparency, Committed, Competent, Flexible, and Innovative integrated as a competitive quality.

Keywords: Innovation Strategy, Management, Human Resources, Excellence.

I The era of globalization is the era that every nation is currently facing and is an era where the world is becoming open, and this requires the readiness of human resources to be increasingly aware of openness. Management should not be considered only as a policy but must be integrated with the agent of organizational change, namely human resources. Thus, human resource management practices have emerged by integrating superior management and human resources. Human resource management innovation strategies have many managerial implications for business and government

policymakers. This can help achieve sustainability goals.

Human resources and service quality, customer satisfaction and loyalty, competitive advantage, and organizational performance are exciting (Ngo et al., 2023). Most organizations now recognize the need to reshape rewards with a more personalized, agile, and holistic approach in line with other talent management strategies. It further suggests that personalized incentives and talent management strategies have gained popularity (X. Huang et al., 2023). Strategic management refers to the pattern of planned deployment of human resources and activities

intended to enable an organization to achieve its goals.

At the same time, human resource (HR) flexibility provides the capacity to adapt the company's operations to the production volume and range demanded by the market, as well as to provide employees with new knowledge (Martínez-Sánchez et al., 2020). Regarding human resource management, we can verify that this management dimension assumes a strategic role by driving the organization's effectiveness and guaranteeing its growth and competitiveness, allowing the maintenance and development of its competitive advantages (Oliveira et al., 2021).

However, if human resources are high, they will inevitably be able to compete both on a national and international scale. This can cause setbacks and will not realize a competitive advantage. So if a country's human resources are low and the quality could be better, then the country will not develop, let alone progress. In contrast, nowadays, innovation and strategy are required in the business world to improve the economy.

The urgency of human resource development is a critical factor in winning global competition, which has the consequence of increasingly tight competition amidst uncertainty. This strategic step deserves full support from all stakeholders. In this regard, several scholars have introduced the concept of Human Resource Management (Ammirato et al., 2023). Human resource management is one of the most critical assets of a company because it can integrate all activities to achieve positive performance (Montalvo-Falcón et al., 2023). This can be called Smart Human Resource 5.0, which concerns how to manage human resources in industry.

Strengthening human resources towards superior humans closely correlates with increasing work productivity in winning competition amidst rapid changes in business, political economy, and culture. Therefore, such considerations make us believe that order occurs in a context that is, at least, very dynamic, where

other areas of management, such as strategic management and human resources, may have an influential role and determine superior and competitive human resources.

METHODS

The research design for this study was carefully crafted to reveal the complex relationships between various essential elements: sustainable management control systems, strategy, innovation, and their impact on sustainable superior competitiveness. The research used a qualitative approach with literature methods (library study). The sources of data collected come from journals, websites, the internet, magazines, books, articles, and other sources that support this research so that it can produce a concept that is relevant to the problems currently being faced. Namely the importance of human resource management strategies to realize superior competitiveness.

RESULTS

3.1 Human Resource Management

Management is the process by which creating, organizing, using, and sharing collective knowledge occurs within a company (Ta'Amnha et al., 2023). Human resources are the heart of corporate governance because it is only possible to achieve governance principles with the total contribution of human resources. Knowing that organizational goals and human resource management practices mutually reinforce defends the integration of human resource management policies in the general corporate strategy of the organization, as well as the governance principles adopted (Oliveira et al., 2021).

Additionally, countries worldwide are paying attention to investment in human capital due to its immense contribution to green growth. For example, countries invest in gathering the best human resources and are the wealthiest countries globally (Li et al., 2023). Development of human resource management, which plays an

essential role in increasing the company's competitiveness. Product-related services, especially after-sales products, are increasingly significant for the development of companies (Jiang et al., 2023). The competitive advantage that every company needs to compete in the global market is technological mastery of high-quality human resources (workers and managers); high creativity and motivation; high level of efficiency and productivity in the production process; production of good quality goods, good management system and organizational structure; high level of entrepreneurship; a broad vision of the product and the environment surrounding the business (economic, social, political, etc.); and the ability to face tough competition in the global market (Farida & Setiawan, 2022). From a resource-based strategy perspective, the importance of resources and capabilities in developing a company's competitive advantage is emphasized. Innovation is the key to gaining competitive advantage.

Institutionalization and human resource management, in addition to organizational outcomes, have a direct positive effect on employees. In addition, strategic human resource management and tools have essential tasks, such as increasing the effectiveness of social interactions and employee communication. With top-down and bottom-up organizational communication management, the aim is also to increase organizational and individual creativity. However, in terms of the results of that stage and comparing the way corporate applications and strategic human resource management affect employees as individuals, there needs to be more information in the literature (Uslu, 2015). The knowledge-based view suggests that, as a rare, inimitable, valuable, and non-substitutable resource, knowledge is the most critical asset that companies develop, share, and systematize to build sustainable competitive advantage (Martínez-Sánchez et al., 2020).

The development of an increasingly competitive business world has caused

significant changes in dealing with competition, production, marketing, human resource management, and handling transactions between customers and companies and companies with other companies. Therefore, business organizations must respond and accommodate various changes quickly and efficiently so that company performance remains optimal.

Socially responsible human resource (HR) management will be necessary and effective to increase positive employee sentiment and organizational trust and, at the same time, reduce negative feelings (Ngo et al., 2023). This may involve changes to equipment, human resources, work methods, or a combination. The impact of innovation on the performance of existing innovation reviews (Wongsansukcharoen & Thaweepaiboonwong, 2023).

Lastly, organizations should consider HR practices for competitive advantage and long-term growth and leverage the human resource mindset to achieve their environmental goals. The HR department should also reward employees who follow workplace policies. Organizations should embed protective slogans in their mission, vision, and values, and the HR department should primarily focus on this issue and supervise all related departments of the organization.

3.2 Innovation Strategy Management

Strategic management requires the development of several specific approaches, tools, and means to achieve a dual goal: strategy implementation and achievement of strategic change goals (Bartosova et al., 2023). The strategy should be further accelerated from the overall level and the scope of application and depth of servitization (Jiang et al., 2023). It is essential in helping organizations develop and maintain sustainability-oriented business strategies (Montalvo-Falcón et al., 2023).

Human resource management (HRM) practices to promote innovation have been studied extensively across continents, countries, and industries (Kimseng et al., 2020). Innovation is the only area of investment of investment

resources, contributing to obtaining stable income and having a synergistic effect (Kostuchenko et al., 2016). Strategic management has demonstrated a well-established, robust and positive impact that training programs, performance management, incentives, rewards, and participation have on performance (X. Huang et al., 2023). By effectively implementing sustainable management control systems, organizations can improve their practices. This, in turn, has a positive impact on sustainable financial performance by optimizing processes, reducing costs, increasing resource efficiency, and ensuring ethical and responsible practices throughout the supply chain (Dharmayanti et al., 2023).

In the era of globalization, the latest technological revolution and the industrial world have developed rapidly, causing countries to face rare historical opportunities and serious challenges (Y. Huang et al., 2023). This requires a change in management to increase competitive advantage. The change management model characterizes the modern approach to changing business teams and social groups. This model emphasizes the readiness of each participant to take part in a change project, which is assessed using 5 factors:

1) Awareness of the need for change. At the same time, it is necessary to consider the person's vision of the current situation, the problems they are concerned about, the depth of their trust in the change manager, the presence of unreliable information and gossip about the change project, and personal factors that influence the motivation to implement change.

2) The desire and readiness of each group member to support change and personally participate in it. For this, it is necessary to understand the nature of change (its essence and how its support will affect each person), their organizational and mental-environmental context (how the organization or environment subject to change perceives the change), and personal motivational factors.

3) Knowledge of required changes, their content, and implementation methods. It is essential to consider the individual's current knowledge of what can be changed and how it can be changed, the person's ability to acquire additional knowledge, and what resources are available for education and training.

4) The ability to make changes. Participants must have the necessary skills and/or the ability to learn them. It is essential to reduce the individual's mental barriers that prevent implementing change, the person's physical capabilities, the time required to learn the necessary skills and the availability of resources to support the development of new abilities.

5) Reinforcement for intermediate and final results of change. Change must be attractive to each participant, and everyone's contribution must be evaluated and rewarded. This will provide the necessary support for the change process (Bartosova et al., 2023).

Based on the above, change management is needed to improve superior and competitive human resources. Studies on innovation have shown that through superior and competitive resource management, it can be sustainable in the context of change for the better.

Based on the demands of rigoaretegy, dynamic capabilities reveal themselves as the basis for adaptation, integration, and reconfiguration of resources, which will consequently exploit new horizons realizing, (2021). Management includes realizing several efforts during the crisis to reduce deposits (Arji et al., 2023). Such considerations lead us to believe that governance occurs in a context that is, to say the least, highly dynamic, in which other areas of management, such as strategic management and human resources, may have an influential and determining role. To investigate this relationship, a study was carried out on the specific case of the Holy House of Mercy, with the aim of assessing the existence of links between the following areas of management, strategic management, human resource

management, and governance (Oliveira et al., 2021).

To have successful innovation applications, it is important to have organizational support, which suggests that management innovation is essential for developing innovation practices (Ahmed et al., 2023). In Southeast Asia, innovation affects all elements of a company, from functional methods to strategic plans and innovative business models. It helps evolve critical policies for the existence and development of organizations and personalities (Wongsansukcharoen & Thaweepaiboonwong, 2023). This means that there is a competitive advantage that is formed in the alliance as a two-way process with knowledge flowing and being shared between Cloud Ltd and Special Ltd. Due to the accumulated human resources and knowledge of the alliance, both companies can learn about new developments. In contrast, the accessed and shared knowledge can then be implemented with the help of an extensive client network of a larger global organization (Cloud Ltd) to offer advance services or increased growth (Jyoti & Efraxia, 2023). In this way, you can successfully improve your products and services and gain the trust of a company.

Based on the above, innovation capabilities, strategic human resource management, and innovation performance include:

a. Innovation Capability

Companies must meet the demands of innovation to meet market needs, create new needs for the market, and anticipate technological developments, explaining that companies must be able to extend the life cycle of their products or create something new with innovation. Companies need to innovate to survive and grow and also excel and significantly influence the direction of the industry.

b. Innovation Performance

Innovation performance is the achievement or success of innovation carried out by a company following targets. Innovation performance can be measured using several

approaches ranging from technical, non-technical, and financial approaches.

Thus, innovative training practices positively correlate with human resource outcomes, innovation, and business performance. The model focuses on four goals: economic prosperity, social welfare, enhancing human values, and protection. To achieve economic prosperity, the main drivers are innovation, technology, and creativity.

3.3 Strategic Innovation in Human Resource Management

Human resource management is expected to be able to align the competencies of people and companies. Human resource management includes all policies, practices, and systems that influence the behavior, attitudes, and performance of employees in the company (Aryanto et al., 2015). The resource-based view can be applied as a bridge between HR and strategic management (X. Huang et al., 2023).

Zhang, Edgar defines HRM practices as (i) hiring and evaluating employees based on their abilities, skills, and performance; (ii) encouraging employees to be involved in decision-making for problem-solving; (iii) offering special training to employees to increase their knowledge; and (iv) providing flexible organizational strategies and environments to enable employees to develop critical thinking, special abilities, and skills (Kimseng et al., 2020). This is because senior management members are more knowledgeable and experienced in the overall and strategic functions of the company and can provide more in-depth responses (Montalvo-Falcón et al., 2023).

According to the author considering the above, when defining the essence of organizational changes, the author believes that they should be understood as changes that occur based on the company as a platform for changes associated with the introduction of new forms and methods of management, aimed at achieving the goals of the company through changes in existing norms, values, rules, and methods of activity. Organizational change concerns all

aspects of the company's activities, all levels of management, and ways to achieve goals, including implementing strategies.

Innovation and HR development strategy are two things that cannot be separated from the activities of an organization/company to achieve its vision, mission, and goals. Without innovation, companies will not be able to survive for long in facing various challenges of very rapid changes in science and technology and the business environment. They will not become more efficient and effective in achieving their vision, mission, and goals. However, without an HR development strategy, innovation will be unsystematic and unstructured. It will not be directed at achieving the vision, mission, and goals of the organization/company quickly and precisely.

The steps or forms of Human Resources (HR) innovation strategies are:

- 1) Continuous training in stages and stages
- 2) Mastery of technology and digitalization
- 3) More active marketing
- 4) Form a solid team
- 5) Establish broader relationships
- 6) to be transferred
- 7) Committed
- 8) Competent
- 9) Flexible
- 10) Integrated innovation as competitive quality

Based on this, innovation and HR development strategies will be achieved. These are two things that cannot be separated from the activities of an organization/company to achieve its vision, mission, and goals. With innovation, companies will be able to survive for long in facing various challenges of very rapid changes in science and technology and the business environment. They will not become more efficient and effective in achieving their vision, mission, and goals. However, with an HR development strategy, innovation will be unsystematic and structured. It will not be directed at achieving the vision, mission, and

goals of the organization/company quickly and precisely.

Likewise, HR development strategies can be carried out by increasing innovation capacity and improving innovation processes so that companies create habits for developing several new products and thus obtain better prospects for their commercialization while making innovation products the foundation of their business organization.

In the end, it can also be stated that the achievement of the vision, mission, and goals of the organization/company is the result of the behavior of employees in the organization who are committed, competent, flexible, and innovative, which are integrated as competitive qualities.

CONCLUSION

Human resource management is the heart of corporate or organizational governance because it is only possible to achieve governance principles with the total contribution of human resources. Management strategies and innovations are needed to improve superior and competitive human resources. Studies on innovation have shown that through superior and competitive resource management, it can be sustainable in the context of change for the better. Strategic human resource management innovation is a component of organizational change because its implementation in organizations/companies is closely related to establishing strategic management as an essential element for understanding company functions and strategy as a single concept for predicting the company's future. Steps or forms of innovation strategy for Human Resources (HR): Continuous training in stages and stages, Mastery of technology and digitalization, More active marketing, Forming a solid team, Establishing more comprehensive relationships, Transparency, Committed, Competent, Flexible, and Innovative integrated as a competitive quality.

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