


Human Resource-Oriented Strategic Management to Improve Organizational Competitiveness

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Article Info	ABSTRACT
<p>Keywords: Strategic Management, Human Resources, Organizational Competitiveness, Human Resource Development, Innovation.</p>	<p>Increasingly complex organizational competition demands the implementation of management strategies that focus not only on operational aspects but also on strategic human resource (HR) management. HR is a crucial asset that determines organizational performance and competitiveness. This study aims to analyze the application of HR-based strategic management in enhancing organizational competitiveness, with a focus on recruitment and selection practices, training and development, performance management, compensation and rewards, employee welfare, innovation, and work flexibility. This study used a qualitative approach with descriptive methods. Data were obtained through in-depth interviews with key informants, observations of organizational activities, and documentation studies related to HR policies. Data analysis was conducted using descriptive qualitative methods through the stages of data reduction, data presentation, and conclusion drawing, using source triangulation to enhance data validity. The results indicate that effective HR-oriented strategic management, including strategic alignment, skills development, performance management, fair compensation and reward systems, and attention to employee welfare, can increase employee motivation, engagement, and productivity. A work environment that supports innovation, flexibility, and continuous learning also plays a crucial role in strengthening organizational competitiveness.</p>
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INTRODUCTION

Organizational competition in the era of globalization and digitalization is increasingly complex and dynamic. Organizations are required to adapt quickly to changes in the external environment, such as technological developments, changing market needs, and demands for efficiency and innovation (Adiatma et al., 2025). This situation encourages organizations to rely not only on product or technological excellence but also to strengthen internal strategies to survive and thrive amidst intense competition (Fahad et al., 2024).

One internal factor that plays a strategic role in increasing organizational competitiveness is human resources (HR) (Hadiyati & Fatkhurahman, 2024). HR is no longer viewed merely as a factor of production, but rather as a strategic asset capable of creating added value for the organization. The competence, creativity, commitment, and performance

of HR are key determinants of an organization's success in achieving its long-term goals (Armadani & Ali, 2025).

Human resources are a vital element that determines the success and growth of every business and activity in every organization. If a company has a good and effective strategy, it will have an impact on the quality and productivity of its human resources, which will ultimately lead to the effectiveness and success of the organization itself (Iskandar, 2018). Yusniar (2014) stated that "a company's human resources can support increased productivity, through the work, talent, creativity, motivation, and innovation of its employees. Human resources play a crucial role as they are the primary driving factor in determining an organization's success.

Quality human resources are now a key strength enabling companies to survive amidst global competition. Therefore, innovative human resource development strategies are essential to address this challenge, from mastering new skills and fostering flexibility in work patterns to increasing employee engagement. Conventional employee training and development strategies are often ineffective in addressing these rapid changes, making it crucial to design a more flexible and adaptive approach (Tahar et al., 2022; Sunarto, 2020).

Human resource-oriented strategic management is a managerial approach that positions human resources as a core element in the process of formulating, implementing, and evaluating organizational strategy (Pratiwi, 2020). This approach emphasizes the importance of aligning the organization's vision, mission, and goals with human resource management policies and practices, such as planning, workforce, recruitment and selection, competency development, performance appraisal, and reward systems. By integrating HR strategy with organizational strategy, HR not only plays a role as a policy implementer but also as a key driver of value creation and innovation (Agustini, 2019).

However, in practice, many organizations still have not implemented strategic and integrated HR management. HR management is often limited to administrative and operational functions, such as payroll, attendance, and personnel management, without being directly linked to the organization's direction and strategy (Anggraeani, 2021). This condition results in suboptimal utilization of HR potential, low employee motivation and performance, and a weak contribution of HR to achieving organizational goals. As a result, organizations struggle to increase productivity, adapt to environmental changes, and maintain competitiveness amidst increasingly fierce and dynamic competition (Aryani, 2019).

Improving organizational competitiveness depends heavily on the organization's ability to develop human resource competencies sustainably and systematically. This competency development can be achieved through the implementation of training and development programs relevant to the organization's needs and the demands of the work environment, both in technical and non-technical aspects (Zalukhud et al., 2024). Furthermore, implementing an objective, transparent performance appraisal system based on the achievement of the organization's strategic targets is a crucial tool in driving increased employee productivity and professionalism. Providing fair and proportional motivation and rewards also plays a role in increasing employee job satisfaction and loyalty (Andara et al., 2025).

In addition to competency aspects, human resource-oriented strategic management also plays a crucial role in building a positive, adaptive, and performance-oriented organizational culture (Sartika, 2024). A work culture that emphasizes the values of collaboration, innovation, openness, and continuous learning will encourage employees to actively participate in decision-making and problem-solving processes. This conducive and supportive work environment not only improves individual performance but also strengthens overall organizational performance (Sangapan & Manurung, 2025).

As demands for performance, professionalism, and accountability increase, organizations are required to ensure that their human resource strategies are truly aligned with internal needs and the external challenges they face. Alignment between organizational strategy and HR strategy is a key factor in ensuring the effectiveness of policy implementation and the achievement of strategic goals. An HR strategy integrated with organizational strategy enables optimal utilization of human resources through appropriate placement, development of relevant competencies, and a performance evaluation system that supports the achievement of organizational targets.

Based on this description, this research is important to conduct in-depth to examine the application of human resource-oriented strategic management in increasing organizational competitiveness. This research It is hoped that this research will provide theoretical contributions to the development of management science, particularly in the study of strategic management and human resource management. Furthermore, in practice, the results of this study are expected to serve as considerations and references for organizational leaders in formulating and implementing effective, integrated, and sustainable HR management strategies to strengthen organizational competitiveness amidst increasingly fierce competition.

METHOD

This research uses a qualitative approach with descriptive methods, aiming to understand and describe in depth the application of human resource-oriented strategic management in enhancing organizational competitiveness (Sugiyono, 2018). A qualitative approach was chosen because it allows researchers to comprehensively explore phenomena in a natural context and to gain a deeper understanding of the processes, policies, and practices of human resource management implemented within the organization. Research data was obtained through in-depth interviews with key informants, direct observation of organizational activities, and the study of documentation relevant to human resource policies and strategies.

Data analysis was conducted using descriptive qualitative methods through the stages of data reduction, data presentation, and conclusion drawing. To ensure data validity, this study utilized triangulation of sources and methods, ensuring a high level of credibility. The results of the data analysis were then interpreted to explain the relationship between human resource-oriented strategic management and increased organizational competitiveness. With this method, the research is expected to provide a comprehensive and in-depth picture of effective and sustainable human resource management strategies.

RESULT AND DISCUSSION

Key Components of Human Resource-Oriented Strategic Management

1. Strategic Alignment

Strategic alignment is a key component of human resource-oriented strategic management, emphasizing the alignment of HR management practices with the organization's strategic goals and direction. This alignment aims to ensure that all HR policies and activities, such as recruitment, training and development, and performance evaluation, are designed and implemented to support the achievement of the organization's long-term business objectives. Without strategic alignment, HR management tends to be partial and does not optimally contribute to improving organizational competitiveness.

Interviews with key informants revealed that the HR strategy formulation process in the organization is carried out with reference to the organization's vision, mission, and strategic objectives. Informants explained that HR needs are determined based on the organization's long-term plan, so the recruitment process is directed toward acquiring workers with competencies and characteristics that align with these strategic needs. This finding indicates that the organization has made efforts to integrate HR planning with the organization's overall strategic planning.

Observations also supported the interview findings, where researchers found that the training and development programs implemented focused on improving competencies relevant to job demands and the organization's development direction. Training materials were tailored to the needs of the work unit and the desired performance targets. Furthermore, the implemented performance evaluation system assesses not only attendance and administrative aspects, but also the achievement of work targets and employee contributions to organizational goals.

Thus, strategic alignment in HR management is evident in the clear link between HR policies and organizational strategy. This integrated HR management practice enables organizations to utilize the potential of their human resources more effectively to support the achievement of long-term goals. These findings indicate that strategic alignment is a crucial factor in improving organizational performance and strengthening competitiveness amidst increasingly fierce competition.

2. Skills Development

Skills development is a crucial component of human resource-oriented strategic management, aiming to enhance employee capacity and capabilities to face global challenges and the development of digital technology. This development is not only focused on improving technical skills but also encompasses leadership development, strategic thinking skills, and mastery of digital competencies. Through relevant and ongoing skills development programs, the organization strives to ensure that employees are prepared and competitive in the face of changes in the dynamic work environment.

Based on interviews with informants and in-depth observations, it was discovered that the organization has implemented various training programs tailored to job requirements and technological developments. Informants explained that the training provided included improving technical competencies relevant to their field of work, leadership training for

employees preparing for strategic positions, and training related to the use of digital technology to support work effectiveness. The training program was designed based on the results of performance evaluations and training needs analyses, ensuring more targeted implementation.

The study also showed that skills development activities were implemented in a planned manner and involved active employee participation. Researchers observed the use of a variety of learning methods, such as internal training, workshops, and technology-based learning. Furthermore, employees were encouraged to develop digital competencies in carrying out their daily tasks, as reflected in the use of information systems and digital applications in work processes.

Thus, skills development within the organization serves not only as an effort to improve individual competencies but also as a strategy to strengthen the organization's readiness to face global challenges and digital transformation. Research findings indicate that targeted and sustainable skills development positively contributes to improved employee performance and supports the achievement of overall organizational competitiveness.

3. Innovation & Flexibility

Innovation and flexibility are strategic elements in human resource management, particularly in the face of changes marked by technological developments and the demands of Industry 4.0. Organizations that can create space for creativity and innovation will be better prepared to respond to the rapid and uncertain dynamics of the work environment. In this context, HR management functions not only to manage the workforce but also to build a work ecosystem that encourages the emergence of new ideas and more adaptive ways of working.

Research findings indicate that efforts to encourage innovation are carried out through creating an open and participatory work climate. Employees are given the opportunity to participate in work improvement processes and decision-making related to organizational development. Flexible communication patterns and leadership support for new ideas are important factors in fostering employee innovation. This reflects a shift from conventional work patterns to a more flexible and collaborative approach.

Flexibility is also reflected in how organizations adapt work systems and methods to technological developments. Field observations indicate that the use of digital technology has become part of daily work activities, both to increase efficiency and strengthen coordination between work units. Adjustments to work procedures are carried out gradually so that employees can adapt without disrupting organizational stability. This approach demonstrates that flexibility is not defined as instant change, but rather as a planned adaptation process.

Thus, innovation and flexibility in HR-oriented strategic management play a crucial role in strengthening an organization's adaptability. A work environment that supports creativity and openness to change not only enhances individual performance but also serves as a foundation for organizations to maintain and enhance their competitiveness amidst global challenges and digital transformation.

4. Well-Being & Engagement

Employee well-being and engagement are strategic aspects of human resource management oriented towards organizational sustainability. Attention to well-being is not

only related to financial fulfillment but also encompasses safe working conditions, psychological well-being, and work-life balance. Organizations that prioritize employee well-being tend to create a conducive work environment, so employees feel valued and develop a strong emotional bond with the organization.

Research shows that efforts to improve employee engagement are carried out through the provision of continuous feedback and a fair and transparent reward system. Feedback is provided not only as a form of performance evaluation but also as a means of coaching and developing employees. Open communication patterns between leaders and employees foster mutual trust, which ultimately increases work motivation and a sense of belonging to the organization.

Furthermore, a positive organizational culture is a crucial factor in building employee loyalty and engagement. A work environment that upholds the values of mutual respect, cooperation, and interpersonal support encourages employees to contribute optimally. Field observations indicate that a harmonious and inclusive work environment makes employees more comfortable in carrying out their duties and more open to change and new challenges.

Therefore, employee well-being and engagement are inseparable from strategies to increase organizational competitiveness. When employees feel well-off, valued, and engaged, they tend to demonstrate higher levels of loyalty and performance. This condition strengthens organizational stability and serves as a crucial asset in facing increasingly complex competition and environmental change.

5. Performance Management

Performance management is a crucial component of strategic human resource management, ensuring that each employee's contribution aligns with organizational goals. An effective performance management system focuses not only on assessing work results but also on the performance achievement process itself. Through a clear and structured performance evaluation system, organizations can monitor employee development and provide the necessary guidance to continuously improve performance.

Research findings indicate that performance evaluation is understood as a development tool, not simply a supervisory tool. Assessments are conducted by considering target achievement, work quality, and employee responsibilities. In practice, performance evaluation results are used as the basis for providing feedback, competency development, and further assignments. This approach encourages employees to understand their roles and contributions more clearly in supporting the achievement of organizational goals.

Assigning challenging assignments is also part of the implemented performance management strategy. These assignments reflect the organization's trust in employees' abilities and serve as a means to develop their potential and work capacity. Field observations indicate that employees who are given greater responsibility tend to demonstrate higher levels of motivation and work commitment because they feel valued and trusted by the organization.

Thus, strong, trust-based performance management plays a crucial role in driving optimal employee performance. An objective evaluation system, coupled with appropriate work challenges, not only increases individual productivity but also strengthens overall

organizational performance. This approach serves as a strategic foundation for sustainably enhancing organizational competitiveness.

Human Resource-Based Strategic Management Enhances Organizational Competitiveness

1. Recruitment and Selection

Recruitment and selection are crucial initial stages in human resource-based strategic management. This process not only aims to fill workforce needs but also serves as a crucial strategy in building an organization's competitive advantage. By recruiting the right talent, organizations can ensure that their human resources possess the competencies, attitudes, and potential that align with the organization's future development direction.

Attracting the best talent with the skills needed in the future means that organizations focus not only on short-term needs but also on the challenges and opportunities they will face. Skills such as critical thinking, adaptability to technology, digital literacy, and the ability to work collaboratively are becoming increasingly important amidst rapidly changing work environments. Therefore, the selection process is designed to identify candidates who not only meet technical qualifications but also have the potential to develop and contribute in the long term.

In practice, strategic recruitment and selection are carried out by integrating organizational needs with developments in the external environment. Selection criteria are developed based on job analysis and projections of future competency needs, so that organizations can obtain human resources who are ready to face change and drive innovation. This approach enables organizations to build a strong and sustainable foundation for human resources.

2. Training and Development

Training and development is a crucial strategy in human resource management, oriented towards continuously improving the quality and capabilities of employees. Training programs are not only intended to enhance current technical skills but also to prepare employees for future job demands and changes in the organizational environment. Through planned training, organizations can ensure that HR competencies remain relevant to technological developments, market needs, and the organization's strategic direction.

Continuous training demonstrates the organization's commitment to systematically developing employee potential. This program can be implemented through various methods, such as internal training, workshops, technology-based training, and experiential learning. A continuous approach allows employees to continuously update their knowledge and skills, thereby improving individual performance while supporting the organization's overall performance.

In addition to non-formal training, promoting formal education is also an important part of the HR development strategy. Organizational support for employee educational advancement, whether through study permits, scholarships, or collaborations with educational institutions, represents a long-term investment in HR development. Formal education contributes to strengthening employees' analytical skills, conceptual understanding, and strategic insight.

3. Performance Management

Performance management is a strategic instrument in human resource management that aims to ensure that individual and team performance aligns with organizational goals. Performance management is not merely defined as a final assessment process, but as a series of ongoing activities, from target setting and monitoring work implementation to evaluation and follow-up. With a strategic approach, performance management becomes a means to direct employee work behavior to support the achievement of the organization's long-term goals.

Providing constructive feedback is a crucial element of an effective performance management system. Feedback is not provided solely to assess errors or shortcomings, but rather as a form of coaching aimed at helping employees understand their strengths and areas for development. Through open, two-way communication, employees gain clarity regarding performance expectations and opportunities to improve their work quality. This approach fosters a more positive working relationship between management and employees.

Strategic performance management also requires a clear link between performance evaluation results and managerial decision-making. Performance assessment results are used as the basis for competency development planning, reward programs, and employee career path determination. Therefore, performance management does not stand alone but is integrated with the overall HR management strategy.

Through performance management that emphasizes constructive feedback and a strategic approach, organizations can encourage continuous performance improvement. Employees feel valued, guided, and involved in the self-development process, thus positively impacting work motivation, productivity, and contributing to the organization's competitiveness.

4. Compensation and Rewards

Compensation and rewards are an important part of strategic human resource management, playing a role in driving employee motivation, performance, and loyalty. The compensation system is not only concerned with providing financial rewards but also includes non-financial forms of recognition for employee contributions. The implementation of a fair reward system is a key factor in creating trust and job satisfaction, which ultimately impacts individual and organizational performance.

A fair compensation system requires a balance between the workload, responsibilities, and rewards received by employees. Transparency in determining compensation and consistency in its application are essential so that employees understand the basis for the organization's assessments. When employees perceive that rewards are given objectively and proportionally, they tend to demonstrate a more positive work attitude and a higher commitment to the organization.

In addition to fairness, a reward system must also be motivating. Rewards linked to performance achievements, innovation, and tangible contributions to organizational goals can motivate employees to improve work quality and productivity. These rewards can take the form of incentives, career development opportunities, and formal and informal recognition.

This approach emphasizes that employee contributions have strategic value to the organization.

5. Employee Welfare

Employee welfare is a strategic aspect of human resource management, oriented towards the sustainability of organizational performance. Welfare is not only understood in the context of fulfilling material needs, but also encompasses the physical comfort, job security, and psychological well-being of employees. Organizations that prioritize employee well-being tend to be able to create harmonious working relationships and increase employee engagement with the organization.

Providing adequate work facilities is one concrete way to improve employee well-being. These facilities can include work tools that support productivity, comfortable workspaces, access to adequate technology, and other supporting facilities. The availability of facilities that meet employee needs helps create an effective and efficient work environment, enabling employees to perform their duties optimally.

In addition to physical facilities, a conducive work environment is also a crucial factor in supporting employee well-being. A work environment characterized by good interpersonal relationships, open communication, and mutual respect provides a sense of security and comfort for employees. This fosters a positive work climate, where employees feel valued and supported in carrying out their roles and responsibilities.

Thus, providing conducive work facilities and environments is an integral part of HR management strategies. These efforts not only impact employee well-being but also contribute to increased motivation, performance, and loyalty, ultimately strengthening the organization's sustainable competitiveness.

CONCLUSION

Human resource-based strategic management plays a crucial role in enhancing organizational competitiveness. HR functions not only as operational implementers but also as strategic assets that determine an organization's ability to achieve long-term goals, adapt to change, and create sustainable competitive advantage. The implementation of HR-oriented strategic management enables organizations to systematically and purposefully optimize employee potential. Research shows that aligning HR strategy with organizational strategy is a key foundation for effective HR management. Recruitment and selection practices oriented toward future needs, continuous training and development, and a strategic performance management system based on constructive feedback have been shown to improve employee performance. Furthermore, providing challenging assignments as a form of trust contributes to employee motivation and work commitment. Innovation, flexibility, and digital competency development are also crucial factors in facing global challenges and technological transformation. A work environment that encourages creativity, adaptation, and continuous learning enables organizations to respond to change more quickly and effectively. This is reinforced by the implementation of a fair and motivating compensation and reward system, which contributes to increased employee satisfaction, loyalty, and engagement with the organization. Furthermore, attention to employee welfare through the provision of conducive

work facilities and environments has been shown to support the creation of a positive and productive work climate. Employees who feel well-off and valued tend to perform better and have a stronger sense of belonging to the organization. Therefore, employee well-being becomes an integral part of an organization's competitiveness strategy.

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