

HUMAN RESOURCE MANAGEMENT STRATEGIES: A NEW PARADIGM

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ABSTRACT

Human resource management strategies in organizations have undergone significant changes over the last decade, especially the paradigm shift from personnel management to human resources management. The human resources management strategies place human resources as important and strategic assets in achieving organizational goals and objectives. Furthermore, the ideas of organizational social responsibility and sustainable human resources performance demand a commitment to social and environmental outcomes along with considering employees as very important assets for the organization, strategic and sustainable management of human resources helps organizations to be effective and successful. The human resources management strategies have focused on the long-term sustainability of the organization's performance. This requires organizational sustainability through the implementation, management and development of policies, strategies and human resource practices that have direct economic, social and environmental dimensions.

Keywords: *human resources, human resources management, strategic management, personnel management, paradigm*

1. INTRODUCTION

Various advances in communication and information technology as well as the development of economic industries, such as the service sector have caused organizations to view human resources as a source of competitive advantage within the organization. The field of personnel management in organizations has undergone significant changes in the last decade. Such changes experience a shift in their scopes and functions

by moving towards what is called Human Resource Management (HRM) and HRM strategy. The shift underscores the interpolation and integration of HRM with the organization's general strategic management processes. This article provides an introduction and conceptual reading of Strategic HRM trends and practices. This study shows that strategic HRM in its new form provides satisfaction in giving human dignity to individual workers and recognizes the

importance of individuals in generating achievement, potential capacity and motivation and commitment. This implies a new mode of managing and arranging the organization's employees in the application of a humanistic approach because employees are considered to be a very important asset to the organization. Human resource management strategies help to make the organization effective and successful. This study identifies and demonstrates the expansion of the HRM strategy paradigm as well as the ethical principles of a humanistic strategy in managing an organization's human resources.

2. LITERATURE REVIEW

2.1 HRM Strategy Concept

Human Resources is illustrated as a collection or aggregation of abilities, knowledge and skills contained in individuals in the organization. In an organizational context, the term 'human resources' represents the people who are on staff in operating the organization and denotes the talents and talents of the employees. It is defined as "knowledge, skills, creative abilities, talents and talents of the organization's human resources, as well as the values, attitudes, approaches and beliefs of individuals involved in organizational

affairs" (Kumar 2011). The term 'human resources' is multidimensional, as it also denotes the functions of the organization that relate to employees and the problems associated with them (Gardia, 2018). With human involvement in all organizational activities, human resources have a relatively significant role in the success of an organization.

Human Resource Management (HRM) is the creative and innovative management of people who apply appropriate and systematic theory (Decenzo et al., 2010). The general view of HRM describes it as a structured process of managing people in an organization.

It is a unique approach to employment management "to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using a variety of cultural, structural and personal techniques" (Storey 1995: 5). However, in this context it is a managerial procedure in managing people in the form of a collective relationship between management and employees (Joshi 2015). As such, it is the process of empowering people and developing people within the organization and driving

the organizational success that enables innovative organizational practices and strategies (Collings & Wood 2009; Buchanan & Huczynski, 2004). Likewise, HRM implies the effective design and implementation of various policies, procedures and programs in the organization (Bratton & Gold, 2007) to develop and manage the knowledge, skills, creativity, talents and talents of employees and use them optimally for specific purposes.

Strategy is a pattern of integrating the main goals, policies and courses of action of an organization into a cohesive whole. Action plans to achieve broad organizational goals (Mintzberg, 2003; Quinn, 1980). It is well defined as "an integrated and coordinated set of commitments and actions designed to exploit core competencies and gain a competitive advantage" (Hitt et al., 2007: 4). Strategy determines the long-term goals of the organization and includes the best course of action and the resources needed to carry it out (Barney, 2001; Chandler, 1962). Within organizations, strategic hierarchies are recognized at the enterprise, business and functional levels (Hofer & Schendel,

1978). The term strategy replaces traditional long-range planning.

Strategic management is the process or set of all necessary and ongoing planning, monitoring, analysis and assessment to fulfil the goals and objectives of the organization and bring it to success by efficient analysis of the current situation and effective implementation of subsequent strategies (Nag, 2007). It is defined as "the art and science of formulating, implementing and evaluating cross-functional decisions that enable an organization to achieve its goals" (David, 2011: 6). It involves the formulation, implementation and evaluation of the main objectives and initiatives taken by management taking into account its resources and assessing the internal and external environment in which it operates (David, 2011).

Strategic HRM is aligning HR practices with organizational strategic objectives to achieve the stated goals (Decenzo et al., 2010). When organizational goals or objectives are set then it aims to ensure that HR strategy is not a means but an end in itself. This implies the organization acquires strategies from employees

rather than imposing them on them. Now that the service sector is more people-centred and contributes the lion's share to organizational productivity and performance, it is of course very important to embrace a more people-centred approach, for example employee-friendly strategies within the organization. In this line, the HRM strategy shows a proactive managerial strategy and the management or HR department of the organization is concerned with activities that include recruitment, staffing, payment, training and performance development (Saini, 2000). It provides a framework within which an integrated HR strategy in the key areas of resources, employee development, and rewards can be formed. Thus, it emphasizes the correspondence of all these HRM practices with the evaluation and promotion of employees in an organization.

An HRM strategy is an inclusive approach to action recognizing decisions within the organization that affect the lives of everyone in the organization. It is the "adjustment of HRM strategies and practices that enable the achievement of financial, social and ecological goals, with impact inside and outside the

organization and over the long term while controlling for unwanted side effects and negative feedback" (Ehnert et al., 2016; 2016: 90). The HRM strategy is committed to refraining from pursuing short-term, cost-based HRM practices that are detrimental to employees and their families or communities and to promoting proactive measures to develop mutually beneficial and regenerative relationships between employees and different resource providers (Ehnert et al., 2016). It nurtures employees as a long-term investment to achieve greater functioning for both the employees and the organization. The HRM strategy is a collaborative HR development that "facilitates employee participation, open communication, job roles and performance evaluation focused on building employee strengths and facilitating performance" (Jarlstrom, Saru & Vanhala, 2018: 705). It also promotes trust between employees and managers in every situation. Similarly, HRM strategies seek to achieve positive human or social outcomes, by implementing sustainable work systems and thereby facilitating employee work-life balance without compromising performance.

3. METHODS

The research employs the qualitative approach and research data is obtained using several techniques, such as literature study. Literature study as described by Creswell through a study of literature, books, journals, and institutional documents related to the topic of this research (Creswell, 2009). Literature study can broadly be described as a more or less systematic way of collecting and synthesizing previous research (Baumeister, 1997; Snyder, 2019). Literature study is the best way to synthesize research findings to show evidence at the Meta level and to uncover areas where more research is needed, which is an important component in creating theoretical frameworks and building conceptual models (Snyder, 2019).

4. DISCUSSION & RESULTS

4.1 HRM Strategy Development

As mentioned above, HRM strategy is the process or pattern of the planned deployment of human resources within the organization and its subsequent activities intended to enable the organization to achieve its short-term and long-term goals. Researchers want to see HRM strategy as integrated development of HRM strategy so that in a general sense it includes multiple levels of analysis and multiple dimensions with

certain definite dynamics (Ehnert and Harry, 2012; Ehnert, 2009). The HRM strategy is becoming more employee-centred and development-oriented, emphasizing employee performance, organizational effectiveness, individual well-being and social impact. It enables a positive relationship between HRM and financial performance, influences different stakeholders inside and outside the organization and recognizes the ambiguity of HRM practices and outcomes (Jarlstrom, Saru & Vanhala, 2018; Ehnert and Harry, 2012). HRM strategies as demonstrated by various studies (Jarlstrom, Saru & Vanhala, 2018; Browning & Delahaye, 2011; Donnelly & Proctor-Thompson, 2011; Guerci and Pedrini, 2014), influence organizational design and practice through various modes of operation, such as: (1) by facilitating: employee participation, open communication, job roles and performance evaluation; (2) by building: employee strength, performance facilitation and trust between employees and managers; and (3) by focusing on sustainable work systems, positive human or social outcomes, work-life balance and organizational economic outcomes. HRM strategy is the aggregation or configuration of all these

practices and is linked to the organizational framework.

4.2 HRM Strategy and Humanistic Strategy

Discussing the future of HRM from a strategic point of view, some researchers argue that to build healthy and effective organizations, the 'humanitarian' aspect must be brought back into dialogue (Cleveland, Byrne & Cavanagh, 2015; Jarlstrom, Saru & Vanhala, 2018). HRM strategy is inherently an ethical activity that is fundamentally concerned with the treatment of humans (Greenwood, 2013). The HRM strategy views employees as important assets for the organization and is following the needs, preferences and perspectives of employees. This is important teaching from a humanistic or people-centred HRM perspective.

HRM strategies attempt to improve organizational performance by enabling long-term, developmental relationships with employees in contrast to the limitations of contractual agreements and economic language (Cleveland, Byrne & Cavanagh, 2015). Therefore, the HRM strategy brings an organizational development model based on human development in the organization.

Cleveland et al., (2015) show that organizations that are committed to their employees also guarantee a total commitment of their employees who "invest the most, get the most", because according to them "organizations, where HRM places priority on employee care (by using an alternative approach to reduction or reduction of the workforce during difficult economic times) and taking care of the organization's environmental sustainability (including green buildings that support employee health), will retain employees who are more committed, engaged and productive because their overall health and well-being is guaranteed, not only within themselves but also within their communities and family circles" (Cleveland, Byrne & Cavanagh 2015: 150).

4.3 New Paradigm of Sustainable HRM Strategy

This paradigm views the individual as being the core of a sustainable human resource system and Jarlstrom, Saru and Vanhala (2018) identify four dimensions of a sustainable HRM strategy, namely: Fairness and equity, transparent HR practices, profitability and employee welfare:

Fairness and equity concern the ethical responsibilities of complying with the law and seeking exemplary behaviour from the authorities, including proper management of employment relationships. This dimension also emphasizes diversity among employees and equal treatment and thus gives new meaning to sustainability which consists of equality and respect among employees.

Transparent HR practices require and demand transparent HR practices in all key functions such as recruitment, resource allocation, competency development, rewards, remuneration, promotion, employee participation and flexibility practices. Transparency implies fairness and equality. For example, career planning, the right person for the right position, no compromise with quality and quantity, competency development (employee skill development), ensuring employee participation, etc.

The profitability dimension seeks organizational effectiveness through the integration of HRM and strategy, proactive action, long-term thinking, etc., along with financial results. It also demonstrates the integration of HRM and strategy with the assimilation strategy of holistic thinking, economic resources

and the environment. Sustainable HRM considers profitability through proper and fair employee appraisal that leads to innovation, resilience, flexibility and an atmosphere of performance improvement. Advancing performance related to economic responsibility from the profitability dimension of sustainable HRM.

Employee well-being promotes a leadership style that cares for and supports employees, showing respect. This dimension shows that employees are not just a resource to be exploited, but an asset to be developed. Employee well-being here implies well-being, thoughts related to health, physical and mental demands, maintaining working relationships with others and work-life balance. Sustainable HRM in the area of individual employees here promotes practices that promote the mental and physical health or well-being of employees. The responsibility for health here is reciprocal and is shared between the organization and its employees.

The figure below shows the integrated relationship of the four dimensions of sustainable HRM. All of this indicates a shift towards an employee-centred people management perspective. Respect for

humanity is said to be the future direction of HRM

(Cleveland et al., 2015).



Figure 1 Dimensions of Sustainable HRM Strategy

4.4 Dimensions of Sustainable HRM Strategy

The sustainable HRM strategy above offers the institutional context of a people-centred approach to employee management and hence a more employee-oriented rationale in organizations. From a focus solely on administrative efficiency and links to strategy, a sustainable HRM strategy attempts to create value with employees and organizations and with society at large (Ulrich, 2015). It increases employee productivity and enhances organizational capabilities by offering integrated and innovative HR practices around the employee. Individual employees are a core constituent of the sustainable HRM strategy concept in organizations. An

organization is said to be sustainable when the legitimate needs of both the organization (productive employees, fair work) and employees (impartial treatment, fair wages) have been met (Cleveland, 2015).

When employee development and welfare are met, their organizational contribution increases. Likewise, mentoring activities and increased job satisfaction lead to higher organizational commitment and therefore greater organizational citizenship behaviour (Cleveland, 2015). This implies that a sustainable HRM strategy is a development approach for employees.

The Sustainable HRM strategy tries to provide a solid foundation for well-functioning communities.

This implies social contribution to society along with environmental and ecological sustainability as shown in the following figure.

Along with economic outcomes (financial returns), sustainable HRM strategies seek commitment to social and environmental outcomes (Chamsa & Garcia-Blandonb, 2019). The HRM strategy focuses primarily on the financial and economic outcomes of employees, emphasizing monitoring of human resources through HR practices. The sustainable HRM strategy concentrates on the "development of an innovative workplace with internal and external social engagement, on increasing awareness and responsibility towards environmental preservation and on improving the distribution and consumption of resources to promote organizational success in a competitive environment" (Chamsa & Garcia-Blandonb, 2019: 111). This management seeks to achieve sustainability within the organization through the development of policies, strategies and practices to manage 'human resources which will lead to progress and development, economic, social and environmental.

In line with the HRM strategy and sustainable development, Chamsa and

Garcia-Blandonb (2019: 112) propose three approaches: (1) a responsibility-oriented approach (employee welfare, community prosperity and quality work-life balance); (2) the company's goals are efficiency and innovation-oriented (linking economic outcomes and sustainability, environmental change, technological progress and the quality of services and products); and (3) a substance-oriented approach (responsible consumption and reproduction of resources for the organization's future sustainability). A sustainable HRM strategy, thereby affirms human responsibility, organizational efficiency and proper management of resources for integral human, social and environmental development.

5. CONCLUSIONS & IMPLICATIONS

HRM strategy is the dimensions of people and organization and it refers to all activities initiated by an entity in the organization for the effective utilization and development of people. HRM develops and manages harmonious relationships in the workplace by balancing organizational goals and individual goals. Therefore, HRM is in the management of human resources, development, employee welfare and industrial relations. The fields

of Human Resource Management (HRM), human resource development and organizational development have merged into a new strategic HRM and its expanded form, sustainable HRM. Strategic and sustainable HRM treats employees not only as a resource but as an asset. Human resources are not static but changing, dynamic and proactive and carry out continuous professional development. Sustainable HRM ensures the improvement of employee capabilities which ensures the continuity and maintenance of this 'human capital as a source of competitive advantage. This aligns people policies with management objectives. Sustainable HRM demands organizational sustainability through the implementation, management and development of policies, strategies and human resource practices with direct economic, social and environmental dimensions. Along with financial performance and organizational goals, sustainable HRM considers employee satisfaction, commitment and welfare. It indicates personal, financial, social and ecological goals in the organization. As the most productive resource among all available resources in the organization, human resources must be used strategically and sustainably to achieve organizational competitiveness. Sustainable HRM ultimately supports that ultimately successful individuals become the foundation

stones for effective and successful organizations.

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