
APPLICATION OF THE CONCEPT OF STRATEGIC HUMAN RESOURCES MANAGEMENT IN IMPROVING ORGANIZATIONAL PERFORMANCE IN THE VUCA ERA

Okta Karneli
Universitas Riau, Indonesia
Email: okta.karneli@lecturer.unri.ac.id

ABSTRACT

In improving organizational performance in this VUCA era, it requires a management or human resource management. The development of a company depends on the human resources of the company. Good management will have a positive impact on organizational performance. The purpose of this study is to determine the application of strategic human resource management (MSDMS) in an effort to contribute to improving organizational performance in the VUCA era. This study uses a qualitative approach by using a review of the literature in the Google Scholar database by looking for references from the literature review that is relevant to the case or problem to present the theory of the research problems carried out. The results of this study are one of the factors that directly affect the level of achievement of organizational performance is the management of human resources. Or in other words the management of human resources can be a determinant to improve organizational performance. The importance of strategic planning to improve organizational quality makes the implementation of strategic human resource management able to improve organizational performance in the VUCA era.

KEYWORDS Strategic human resource management, Organizational Performance, VUCA



This work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International

INTRODUCTION

Most organizations aim to grow better and be able to compete with other business people. However, it is increasingly difficult to form an optimal organization that can

How to cite: Okta Karneli. (2022). Application of The Concept of Strategic Human Resources Management in Improving Organizational Performance in the Vuca Era. Journal Eduvest. Vol (2): 704-709
E-ISSN: 2775-3727
Published by: <https://greenpublisher.id/>

compete at the national or even international level. During epidemics, companies or corporate organizations often face slow business rhythms, revenue goals that fall short of expectations, poor communication among organizational members, and sometimes even the loss of valuable customers so that it is currently difficult to predict. Previously all these situations had actually been studied by a US military expert in the 1990s, from which the concept of VUCA was born. This is due to the increasingly fierce competition in the global market, influenced by the growing development of the current VUCA era. VUCA stands for Volatile, Uncertain, Complex, and Ambiguity. It is ironic that the VUCA situation depicts things that are full of ambiguity, without direction, and tend to change quickly due to unclear cause-and-effect relationships.

In the case of VUCA, there are consequences that must be considered, such as the need to develop strategic thinking and leadership skills, and to be strong HR in an environment of volatility, uncertainty, complexity, and ambiguity (VUCA). Facing this VUCA era, the organization views that its human resources must be able to face the challenges of VUCA, one of which is acquiring the skills needed to build and grow the organization in this VUCA era.

The development of organizational performance is influenced by the management of strategic planning on human resources. Where no organization can stand alone without human resources. Due to the importance of the role of human resources in the organization, it is necessary to manage human resources. Because the key to organizational success is not only technical advantages and availability of funds, but human resources. All actions and decisions are made only to achieve organizational goals, which requires reliable HR. Good planning and management for human resources is needed in organizations (Pramudia, Susila, SE, & Bagia, 2016).

Good HR management will be very beneficial for the company, because it will save costs, improve performance, accelerate the achievement of goals, and at the same time will create a good relationship between the workforce and the organization. Organizations can maximize its competitive advantage by focusing on human resources, through employee efficiency. Mostgi (2008:109) states that human resource management is an activity related to planning, making decisions, implementing and controlling human resources including strategies, techniques and actions, and executive decisions that are directly related to or affect human resources working in the organization.

Every organization cannot be separated from strategic Human Resource (HR) management because strategic management can be an organizational innovation to achieve the desired goals of the organization. Strategic Human Resource Management is a series of decisions and actions to develop and implement a strategy, this allows a match between the organization and its environment so that organizational goals can be achieved. Strategy formulation includes planning, making decisions to achieve company goals, and developing certain strategic plans in human resource planning. Several strategic considerations are the main steps of quality organizational development, namely aiming for a good mission statement that distinguishes it from other organizations (Pramudia et al., 2016).

Strategic human resource management must also analyze the internal and external environment to determine the strengths, weaknesses, opportunities and threats possessed by the organization. The formulation of Strategic Human Resources Management aims to realize the vision through the mission and goals of what the organization wants to compete with. Companies can maximize their competitive advantage by centered on HR, through the efficiency of employees. Company performance is something that is produced in a certain period with reference to the standards set. Company performance should be a measurable result and describe empirical conditions (Istiqlal, 2009). So, this article is to

find out the application of strategic human resource management (MSDMS) in an effort to contribute to improving organizational performance in the VUCA era.

RESEARCH METHOD

This type of research is a qualitative research that emphasizes the importance of findings rather than generalizations. This study aims to determine the application of strategic human resource management in improving organizational performance in the VUCA era. Qualitative research is used to understand how people experience events. Although there are many qualitative research methods, they tend to be flexible and focus on preserving rich meaning when interpreting data (Gunawan, 2013). Common approaches include fundamental theory, ethnography, action research, phenomenological research, and narrative research. They have some similarities but emphasize different goals and perspectives (Semiawan, 2010).

Qualitative researchers also see themselves as "tools" in science, so all conclusions, opinions, and methods are filtered through their personal lens. Therefore, when writing a qualitative analysis method, it is important to focus on your strategy and describe in detail the choices you make when collecting and evaluating data (Harahap, 2018). This study uses the literature review method to develop theories that are relevant to ongoing research questions. The questions in this study relate to the concept of MSDMS which aims to improve organizational performance. While the data source is from the literature in the Google Scholar database, obtained by looking for references related to cases or problems found from the literature review.

RESULT AND DISCUSSION

In improving organizational performance in this VUCA era, it requires a management or human resource management. Good management will have a positive impact on organizational performance. Therefore, the organization always expects a good system to take place so that it supports the organization's vision and mission. The challenges faced are various changes both inside and outside the organization in a very fast, chaotic and turbulent way. The COVID19 pandemic has various impacts on people's lives, especially business organizations or companies, which has caused many changes in the world of VUCA (Volatility, Uncertainty, Complexity and Ambiguity). Every organization must be able to identify it because every problem requires a fast and appropriate response. Each of these VUCA components presents challenges that need to be addressed with Vision, Understanding, Clarity, and Agility (Vestergaard et al., 2020).

Yuwono et al, in Tangkilisan (2005: 180) suggest that the dominant factors influencing the performance of an organization include management efforts in translating and aligning organizational goals, organizational culture, the quality of the organization's human resources and effective leadership. The role of human resource management/employees on organizational performance and ultimate management goals is seen as problematic if employees are only considered as a source of sustainable competitive advantage. From the point of view of organizational theory, the organization consists of

two factors: the "organization of work" as the total amount of work to be done, and the "human organization" which consists of the people who carry out the work. Greater respect is given to the human resource element, thanks to the QWL (Quality of Working Life) movement, is one of the main features of modern HRM theory, and this "human respect" must be maintained and enhanced in today's organizations (Nurjaman, 2020).

Performance awards in human resources have a very important role, especially in a company. The development of a company depends on the human resources of the company. If the company's human resources are good, then the company can develop rapidly among other competitors. So far, no company has been able to carry out its operational activities without employees. Even though we are in an age of advanced technology like this, human resources are still needed. To achieve the company's goals, it is necessary to have human resources who can work well together. Therefore, an organization that captures or can even increase rewards for its human resources/employees will increase employee performance and affect organizational performance.

In detail, Ruky in Tangkilisan (2005: 180) identifies one of the factors that directly affect the level of achievement of organizational performance is the management of human resources. Or in other words the management of human resources can be a determinant to improve organizational performance. The importance of strategic planning to improve organizational quality (Azhari & Bustamin, 2022). The application of strategic human resource management can improve organizational performance in the VUCA era. Superior human resources will make the organization superior. HR management in the 4.0 era must be equipped with the right strategy so as to produce the right action in achieving organizational goals. Competition is getting tougher, the need for quality human resources that can support the achievement of company goals is very important, and the company's ability to manage employees who have values so that they are motivated and bring out the best abilities are the main points that must be possessed in order to achieve Sustainable Competitive Advantage (Ong & Mahazan, 2020).

Strategic Human Resource Management or commonly abbreviated as MSDMS can be seen as a participant in the company's performance in relation to regulatory enforcement or compensation needs. MSDMS leverages the strengths and opportunities of HR to make other departments better and more successful (Mangkuprawira, 2003). According to Whalen and Hunger (2001:4), "Human Resource Management strategy is a series of strategic management decisions and actions including environmental monitoring, strategy development (strategic planning or long-term planning), strategy implementation and assessment and control). Humans are strategically about impacting the strategy of organizational systems. Successful, human resource management is obtained from the explicit support of the mission and strategy of the organization.

According to Robinson (2008: 248), the implementation of Human Resource Management strategy is activities and work that require planning, implementation and strategy. The formulation of a good strategy can be seen from the implementation in its implementation. In other words, a good implementation of organizational systems comes from a good strategy formulation as well. In line with the above point of view, according to Whalen and Hunger (2001:17), Strategic HR Implementation Management is the management of the strategy implementation process in the form of programs, procedures and budgets. The process of implementing strategic human resource management includes changes to the overall culture, structure and/or management system of the broad organization. Three approaches have been suggested for the relationship between

management strategy, HRM, and organizational performance such as best practice approach, contingency approach, and configuration approach (Fink & Sukenik, 2011). In line with Nurjaman et al. (2020) in his research investigating the relationship between strategy, HRM practices and organizational performance found best practice approaches have been used frequently and yield useful results comparatively with contingency and configurational approaches.

CONCLUSION

Continuous improvement of HR performance in organizations in the 4.0 era can be done by implementing HR management strategies that focus on improving company performance. Strategic Human Resource Management or commonly abbreviated as MSDMS can be seen as a participant in the company's performance in relation to regulatory enforcement or compensation needs. MSDMS leverages the strengths and opportunities of HR to make other departments better and more successful. One of the factors that directly affect the level of organizational performance achievement is the management of human resources. Or in other words the management of human resources can be a determinant to improve organizational performance. The importance of strategic planning to improve organizational quality makes the implementation of strategic human resource management able to improve organizational performance in the VUCA era. Superior HR will make the organization superior Three approaches have been suggested for the relationship between management strategy, HRM, and organizational performance such as best practice approach, contingency approach, and configuration approach.

REFERENCES

- Azhari, I.P., and Bustamin. 2022. "Improving The Quality Of University Through Strategic Planning". *Jurnal Administrasi Negara* 26 (3):223-48. <https://doi.org/10.33509/jan.v26i3.1178>.
- Colbert, B. A. (2004). The Complex Resource-Based View: Implications for Theory and Practice in Strategic Human Resource Management. *Academy of management review*, 29(3), 341- 358.
- Farchan, F. (2016). Teknikal Manajemen Sumber Daya Manusia Strategik Sebuah Paradigma Pengukuran Kinerja. *Risalah, Jurnal Pendidikan dan Studi Islam*, 3(1), 42-62
- Gunawan, I. (2013). *Metode penelitian kualitatif*. Jakarta: Bumi Aksara.
- Istiqlal, C.H. (2009). Penilaian Kinerja Perbankan Syariah dengan Metode balanced scorecard. *Jurnal Ekonomi Islam*, 3(2).
- Kennedy, P. S. J. (2020). Management Overview: Leadership In Change. *Fundamental Management Journal*, 5(2), 1-11.
- Mangkuprawira, T. (2003). *Manajemen Sumber Daya Manusia Strategik*. Fisipol, UGM
- Moleong, L. J. (2010). *Metodologi Penelitian Kualitatif (XXVII)*. Bandung: Remaja Rosdakarya.
- Nurjaman, K. Et al., 2020. Meningkatkan Kinerja Perusahaan dengan Menerapkan Konsep Manajemen Sumber Daya Manusia Strategik dalam Menyongsong Persaingan Global. *Jurnal Ilmiah Manajemen*, 1(2), 73-82.

- Ong, J.O., & Mahazan, M. 2020. Strategi Pengelolaan SDM dalam Peningkatan Kinerja Perusahaan Berkelanjutan di Era Industri 4.0. *Jurnal BECOSS (Business Economic, Communication, and Social Sciences)* 2(1), 159-168.
- Palinggi. 2008. *Manajemen Strategik*. Jakarta: Salemba Empat.
- Pramudia, W. Susila, G.P.A.J., & I Wayan Bagia. 2016. Analisis Manajemen Sumber Daya Manusia Strategik pada Dinas Kebersihan dan Pertamanan.
- Robinson. 2008. *Manajemen Strategis: Formulasi, Implementasi dan Pengendalian*. Jakarta: Salemba Empat
- Semiawan, C. R. (2010). *Metode penelitian kualitatif*. Grasindo.
- Snell, S. A. (1992). Control Theory in Strategic Human Resource Management: The Mediating Effect of Administrative Information. *Academy of management Journal*, 35(2), 292-327.
- Sunarsi, D. (2018). Pengembangan Sumber Daya Manusia Strategik & Karakteristik Sistem Pendukungnya: Sebuah Tinjauan. *Jurnal Ilmiah MEA (Manajemen, Ekonomi, & Akuntansi)*, 2(3), 178-194.
- Tangkilisan, H.N.S. (2005). *Manajemen Publik*. Jakarta: PT. Grasindo.
- Tsoukatos dan Rand, G. (2006). Path Analysis of Perceived Service Quality, Satisfaction and Loyalty in Greek Insurance. *Managing service Quality*, 16(5), h. 501-519.
- Wheelen Thomas & Hunger, J. David. 2001. *Manajemen Strategis*. Yogyakarta: Penerbit ANDI