Optimising Organisational Performance Through Human Resource Management Strategy and Technology Integration to Enhance Innovation

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ABSTRACT

In the evolving era of digitalization and globalization, organizations face increasingly complex and dynamic challenges. Rapidly advancing information technology and intense global market competition necessitate organizations to evaluate and enhance their performance to remain relevant and competitive. This research aims to investigate best practices in HRM and technology integration to promote innovation, with a focus on its positive impact on organizational performance. The approach entails conducting an in-depth examination of literature through qualitative analysis, aiming to attain a comprehensive comprehension of the topic spanning the years 2001 to 2023. The study’s findings indicate that human resource management (HRM) strategies focusing on employee recruitment, training, and development, along with effective performance management, form the basis for a competent team. A positive work environment with constructive feedback enhances productivity. Technology integration, through information and communication technology (ICT) and technology-based HRM systems, improves operational efficiency. The use of technology for decision-making, administration, and employee data analysis accelerates business processes. Technology integration also stimulates innovation through collaboration and artificial intelligence, aiding organizations in identifying new opportunities in the digital era.

ABSTRAK


1. INTRODUCTION

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With the rapid advancement of the digital age and the ever-evolving phenomenon of globalisation, organisations are not only faced with increasing complexity, but also dynamics. The present is setting the stage for rapid transformation, with information technology continuing to advance and the global marketplace tightening. Organisations' engagement in navigating these challenges requires in-depth evaluation and continuous improvement of their performance, a crucial step to ensure relevance and competitiveness (Sutrisno, Sitinjak, et al., 2023). In this context, the strategic role of human resource management (HRM) and technology integration become key cornerstones for achieving optimal levels of organisational performance. Only through a deep understanding of these dynamics can organisations leverage human capital and technology as key drivers of innovation, creating a solid foundation for sustainability and success in this ever-changing era.

Organisations, in the midst of an ever-evolving era, find themselves faced with increasing pressure to manage their human resources more strategically and adaptively (Gadzali, Gazalin, et al., 2023). Rapidly changing market dynamics require organisations to consider human resource management (HRM) approaches that are able to accommodate diverse needs, encourage creativity, and enhance agility in the face of challenges (Rustiawan et al., 2023). Faced with constant changes in the business environment, organisations are not only required to respond, but also to proactively innovate in terms of people management (Gadzali, Santos, et al., 2023). In this insight, it is important for organisations to integrate strategies that are adaptive and empower people in a way that not only addresses current demands but also paves the way for continuous evolution in the face of future changes.

Information and communication technology (ICT) has emerged as a major force in pioneering deep transformation in the business domain (Harahap, Kraugusteeliana, et al., 2023). Through the integration of advanced technologies, organisations can experience significant improvements in operational efficiency, optimise various business processes, and open up endless opportunities for greater innovation. The role of ICT is not only limited to improving internal performance, but also creating a solid foundation for adaptation to external changes and ever-changing market demands (Harahap, Ausat, et al., 2023). By applying technology holistically, organisations can harness the speed and flexibility to not only meet current needs but also to initiate new breakthroughs and shepherd the business towards an era of sustainable competitive advantage.

Organisations that are able to embrace and drive innovation not only gain significant competitive advantage but also open the door to sustainable progress (Sutrisno, Kuraesin, et al., 2023). More than just involving aspects of products or services, innovation in organisations encapsulates broader dimensions, including the transformation of internal processes and the evolution of business models. The ability to constantly update and improve ways of working, implement new technologies, and redefine business strategies gives organisations an edge in the face of fast-changing market dynamics (Suherlan, 2023; Suherlan & Okombo, 2023; Wanof, 2023). Therefore, the willingness to engage all strata of the organisation in a culture of innovation not only creates better products and services but also fosters adaptability that is vital to meet the demands of a complex global marketplace (Lawson & Samson, 2001). By recognising that innovation involves more than just product or service elements, organisations can carve out a winning path in an ever-evolving competitive landscape.

The close link between effective human resource (HR) management and smart use of technology opens the door to an organisational environment that not only supports innovation but also stimulates sustainable growth (Wahyoedi et al., 2023). When HR management is done meticulously, encompassing talent recruitment, development and retention, and promoting a collaborative and adaptive work culture, it creates a strong foundation for creativity and innovation (Abubakar et al., 2019). On the other hand, wise use of technology, such as the implementation of tools and systems that support operational efficiency and provide a platform for team collaboration, can accelerate the innovation process. When skilled human resources and advanced technology reinforce each other, synergies are created, enabling organisations to better compete in a dynamic marketplace (Sutrisno, Ausat, et al., 2023). Therefore, understanding and optimising the relationship between HR management and technology is an integral strategy in creating a progressive and innovative work environment.

While the literature has acknowledged the urgency of human resource management (HRM) and technology utilisation in an organisational context, there is a lack of in-depth understanding of how best to integrate the two to achieve optimal levels of performance. In this context, there is a knowledge gap that needs to be addressed, and this research was initiated with the aim of filling this gap. The focus of this research lies on the exploration of people management and technology exploitation strategies that can not only...
enhance innovation, but also advance overall organisational performance. By going in-depth, this research hopes to provide new insights that are contextual and applicable, providing practical guidance for organisations in optimising the management of people and technology to achieve competitive advantage and long-term success. As such, this research views the holistic integration of HR and technology management as a crucial foundation for achieving sustainable organisational transformation.

The main objective of this research is to deeply investigate and identify best practices in human resource management (HRM) and technology integration, with a sharp focus on how the merging of these two aspects can stimulate and increase the level of innovation in an organisational context. By focusing on the positive impact that synergies between effective HR management and wise utilisation of technology may have, this research intends to provide in-depth insights and a more holistic understanding. Through solving the puzzle of the complex interrelationships between these factors, it is hoped that this research will be able to explore new dimensions in modern innovation-focused management practices. In addition, this research aims to generate practical recommendations that can provide concrete guidance for organisational leaders, enabling them to optimise their organisational performance in the face of challenges and opportunities in this ever-changing era. In doing so, this research intends not only to fill a knowledge gap, but also to make a meaningful contribution to the development of relevant and effective management strategies in the future.

2. THEORETICAL FRAMEWORK AND HYPOTHESES

Organizational Performance
Organizational performance refers to the ability of a business entity or institution to achieve the goals and objectives it has set (Ausat et al., 2022). This involves evaluating the effectiveness and efficiency in carrying out operational activities, managing resources, and achieving desired outcomes. Organizational performance includes several indicators, such as financial target achievement, customer satisfaction, innovation, and employee productivity (Muhamad et al., 2023). Overall, organizational performance reflects the extent to which an organization can adapt to environmental changes, leverage existing opportunities, and overcome challenges. Evaluating organizational performance plays a key role in managerial decision-making, helping identify areas that need improvement and ensuring that the organization moves in a direction consistent with its vision and mission (Sinnaiah et al., 2023). By understanding and measuring organizational performance, leaders and stakeholders can take appropriate steps to enhance competitiveness and organizational sustainability in the long term.

Human Resource Management (HRM)
Human Resource Management (HRM) refers to the discipline related to the management of human resources within an organization. HRM involves planning, recruitment, selection, training, development, and management of employees to effectively and efficiently achieve organizational goals (Gadzali, Ausat, et al., 2023). HRM functions include performance management to enhance employee productivity, career planning and development to ensure alignment with organizational needs, as well as compensation and incentive management to motivate and retain top talent (Agustian et al., 2023). Additionally, HRM is involved in employee relations management, including conflict resolution, organizational communication, and creating a healthy work environment. The importance of HRM in the success of an organization cannot be overstated, as effective human resource management can create a positive work culture, improve employee satisfaction, and support the overall achievement of organizational strategic goals. Thus, HRM is a critical component in shaping and maintaining sustainability and success in the modern era.

Technology
Technology refers to the application of scientific knowledge and practical knowledge to design, create, and use tools, systems, and devices to solve problems and meet human needs. Generally, technology encompasses various types of innovations, including information technology, communication technology, manufacturing technology, medical technology, and more (Mahardhani, 2023). Technology contributes significantly to social, economic, and scientific progress by enabling humans to perform tasks more efficiently, quickly, and accurately. In the modern era, information technology, including computers, software, and networks, plays a central role in shaping how we work, communicate, and access information (Harahap, Sutrisno, et al., 2023). Meanwhile, technology continues to evolve, creating new innovations such as artificial intelligence, the Internet of Things, and other related technologies. Technology is not just a tool but also a
fundamental agent of change that drives the evolution of societies, economies, and cultures worldwide.

Innovation

Innovation refers to the process of creating and implementing new ideas, products, services, or processes that add value and solve existing problems (Subagja et al., 2022). It involves the creative transformation of concepts or ideas into implementable forms, bringing positive changes in various aspects of life. Innovation can arise from the discovery of new technologies, changes in production methods, new thinking in business management, or even the restructuring of educational processes (Azzaakiiyiyah et al., 2023; Salamah, 2023). The importance of innovation in the economic and developmental context cannot be ignored, as innovation is key to enhancing competitiveness, economic growth, and creating solutions to social challenges. Organizations and individuals capable of innovating have a competitive advantage because they can respond to changes quickly and create new value (Aboramadan et al., 2019). Therefore, innovation is not just about creating something new but also about transforming and improving what already exists, paving the way for sustainable progress.

3. RESEARCH METHOD

In this investigation, we employ a qualitative literature review methodology to gain a comprehensive understanding of enhancing organizational performance through the strategic integration of human resource management and technology to promote innovation spanning the years 2001 to 2023. The primary aim of this approach is to locate, evaluate, and incorporate pertinent scholarly works sourced from diverse academic journals, conference papers, and reputable outlets accessible via Google Scholar. The research process unfolds through several distinct stages. Initially, the researcher defines a specific and relevant research topic, establishing a comprehensive grasp of the background and research objectives. Following this, explicit and precise search criteria are formulated to guide the exploration of literature using Google Scholar, encompassing the period from 2001 to 2023. Once search results are obtained, the researcher engages in a literature selection process, scrutinizing the abstracts and summaries of each identified article or source. Literature lacking relevance or failing to meet the research criteria is excluded from the analysis. The selected literature undergoes a rigorous examination, with a focus on identifying significant discoveries, concepts, theories, and trends inherent in the literature. A qualitative approach is applied to achieve a thorough understanding of the research subject. The findings from the literature review are then synthesized and expounded upon by the researcher to construct a comprehensive understanding of the research topic. Moreover, these findings are organized into a detailed research report with a structured and cohesive format, encompassing key discoveries, analyses, and profound interpretations. The research concludes by formulating concise conclusions summarizing the central findings and implications of the literature review on the research subject. This methodology enables researchers to acquire an extensive and deep understanding of the research topic without the need for primary data collection. By leveraging existing literature, this research has the potential to make significant contributions to the advancement of theories, problem-solving, or decision-making across various scientific domains, particularly within the context of optimizing organizational performance through human resource management strategy and technology integration to enhance innovation.

4. DATA ANALYSIS AND DISCUSSION

In the face of increasingly complex globalisation and intensified competition, optimising organisational performance has become a crucial challenge, given that it is the key to achieving long-term sustainability and building a strong competitive advantage. In the midst of changing market dynamics, one of the most relevant and essential approaches to achieve this goal is through the implementation of human resource management (HRM) strategies that are not only effective but also responsive to the demands of the changing work environment. An organisation's success in holistically optimising its performance is also highly dependent on the smart and holistic integration of technology (Prastyaningtyas et al., 2023). Technology is not just a tool, but a key enabler in enhancing an organisation's innovative capabilities. By delivering purposeful HR management and integrated technology, organisations can create a solid foundation to face the upcoming changes, enhance their competitiveness, and step towards the pinnacle of competitive advantage on the ever-evolving global stage.

Digging deeper, the strategic role of human resource management (HRM) is not only instrumental
but also contains deep dimensions in directing and knitting organisational success. HR is not just an administrative personnel matter, but a key catalyst to inspire growth and achievement of organisational goals. By implementing careful and planned strategies at every stage of the employee lifecycle, from selective recruitment to ongoing training, development and retention, organisations can ensure that their teams consist of individuals who are not only highly competent but also fully committed to the company's vision and mission (Cachón-Rodríguez et al., 2022). Through this approach, organisations can create a dynamic and positive work environment, which in turn, can result in significant improvements in productivity as well as stimulate synergistic collaboration among team members. Thus, strategy-focused human resource management not only manages human resources, but also forms a solid foundation for the achievement of top performance and overall organisational success.

Apart from that, the sustainability and success of an organisation is also strongly linked to the implementation of effective performance management. Performance management is not just about measuring productivity, but also involves evaluating the unique contribution of each individual to the overall goals of the organisation (Halachmi, 2005). By devising relevant and measurable key performance indicators (KPIs), providing constructive feedback, and designing a fair incentive system, organisations can create an environment where employees feel valued and motivated to achieve their best results (Siraj & Hågen, 2023). This approach serves not only as a tool to measure individual achievements, but also as a way to direct employees' energies and skills in the direction that is most beneficial to the organisation as a whole. Thus, planned and purposeful performance management is not only an evaluation tool, but also a key factor in building a progressive work culture focused on achieving the best results for the long-term growth of the organisation.

Meanwhile, on the way to achieving holistic performance optimisation, the role of technology integration is becoming increasingly important. The implementation of information and communication technology (ICT) in organisations is not just a tool, but a major supporting force to facilitate operational efficiency, reduce costs, and support the acceleration of business processes. For example, the use of technology-based human resource management systems, such as HRIS (Human Resource Information System) software, can have a significant positive impact. In addition to simplifying HR administration tasks, this system also has the potential to accelerate decision-making by providing accurate and up-to-date data. Not only that, ICT implementation can also increase visibility into employee data, enabling organisations to make strategic decisions based on a deeper understanding of their human resource potential and needs (Zhang & Chen, 2023). Thus, technology integration is not just a complement, but an integral element in creating a solid foundation for performance optimisation and organisational success amidst changing market dynamics.

In a broader view, the role of technology in supporting innovation within organisations covers a rich and potential range of dimensions (Chen et al., 2019). Apart from the aspect of operational efficiency, technology can also be a catalyst to stimulate creativity and open up space for the identification of new opportunities. The implementation of collaborative platforms allows team members to interact and share ideas in real-time, strengthening synergies among individuals with different backgrounds and expertise. Meanwhile, big data analysis gives organisations the power to explore patterns and trends that may not be visible manually, opening the door to a deeper understanding of customer needs and preferences, as well as potential product or service innovations (Gopal et al., 2022). Artificial intelligence (AI) technology can be a highly effective approach in rapidly processing information and providing predictive insights, leading to more timely and data-driven decision-making (Aldoseri et al., 2023). By viewing technology not just as a tool, but as a strategic partner in addressing challenges and responding to market changes, organisations can achieve an accelerated pace of innovation, paving the way for competitive differentiation and long-term sustainability.

In the journey towards achieving a harmonious synergy between human resource management (HRM) strategies and technology integration, the presence of visionary and results-orientated leadership plays a central role. Visionary leaders must have the ability to not only understand the full potential of technology but also to be the driver of cultural change within the organisation. This involves the ability to shape an innovative view of the future and inspire team members to engage in digital transformation. Moreover, visionary leaders need to create a work environment that supports collaboration and experimentation, fosters a spirit of courage in trying new things, and values individual contributions in realising a shared vision. By combining leadership skills, technological understanding, and the ability to shape an adaptive organisational culture (Khan et al., 2020), visionary leaders are able to create a solid foundation for the synergistic integra-
tion of people and technology, guiding organisations towards long-term success and resilience amidst inevitable change.

Through the application of this holistic approach, organisations are able to achieve performance optimisation that is not only temporary, but also sustainable. Efforts to improve productivity and operational efficiency through effective human resource management are only part of the bigger picture. By embracing the wise integration of technology, organisations can stimulate continuous innovation, opening up opportunities for deep transformation and differentiation. This approach is not just about managing human resources and technology separately, but rather a progressive step in creating an organisation that is adaptive, agile and ready to face the challenges that may arise in a dynamic future. By creating a solid foundation through alignment between human capital management and technology, organisations can not only survive in this ever-changing era but also thrive sustainably, making them innovative leaders in their respective fields.

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

In conclusion, a human resource management (HRM) strategy that focuses on recruiting, training, and developing employees, along with effective performance management, serves as an indispensable foundation for building a competent and committed team. Cultivating a positive work environment with constructive feedback not only enhances productivity but also strengthens collaboration among team members. Additionally, the integration of technology, particularly through information and communication technology (ICT) and technology-based HRM systems, can significantly enhance the operational efficiency of the organization.

Utilizing technology to support decision-making, administration, and employee data analysis not only expedites business processes but also provides better visibility into these aspects. Furthermore, technology integration not only optimizes operational efficiency but also stimulates innovation through collaborative platforms, big data analytics, and artificial intelligence. All of these contribute to helping organizations identify new opportunities, navigate market changes, and remain relevant in the continually evolving digital era.

The implications of optimizing organizational performance through the strategic integration of HRM and technology are profound. This necessitates a shift in perspective, moving beyond regarding technology merely as a tool to recognizing it as a strategic partner crucial for achieving long-term sustainability and competitive advantage. In this transformative journey, visionary leadership assumes a pivotal role in propelling digital transformation forward. Leaders must not only grasp the potential of technology but also act as catalysts for a cultural shift within the organization, emphasizing the need for leadership development programs that cultivate a culture of innovation and adaptability. Furthermore, a holistic approach to performance management emerges as a key imperative, urging organizations to move beyond mere productivity metrics and delve into evaluating individual contributions to overarching organizational goals. This calls for the implementation of comprehensive performance management strategies encompassing relevant and measurable KPIs, constructive feedback mechanisms, and equitable incentive systems. Additionally, the significance of fostering a positive organizational culture and promoting collaborative synergy among team members cannot be overstated. Success hinges on prioritizing the creation of a work environment that values individual contributions, encourages experimentation, and supports collaboration aligned with shared visions.

Lastly, the application of technology must transcend operational efficiency and actively stimulate continuous innovation. Organizations are encouraged to invest in cutting-edge technologies such as AI and collaborative platforms to not only enhance creativity but also identify new opportunities, ultimately differentiating themselves in the dynamic market landscape.

To achieve performance optimization, several strategic recommendations can be proposed. Firstly, organizations need to ensure the presence of visionary and results-oriented leadership. Leaders who understand the potential of technology, play a key role in spearheading cultural change, and create an environment that supports collaboration and experimentation are recognized as the primary drivers of strategic success. Next, investments in employee training and development are crucial steps not only to enhance individual skills but also to shape a learning culture that encourages innovation. Learning programs relevant to technological advancements can accelerate employee adaptation to changes. The security and compliance aspects of technology should also be a focus for organizations integrating technology. Stringent information security policies and compliance monitoring can protect organizations from risks associated with technology use. Lastly, continuous evaluation and improvement are key to ensuring the sustainability and relevance of HRM and technology integration strategies. Continuous monitoring of key performance indicators (KPIs), employee feedback, and market trends will enable organizations to evolve and adapt to environmental changes,
creating alignment between humans and technology, and ensuring optimal performance in the face of complex and dynamic business dynamics.

While recognizing the transformative potential of integrating HRM and technology, certain limitations must be acknowledged. The upfront costs associated with implementing technology, particularly advanced systems like HRIS, pose a significant challenge for smaller organizations with limited financial resources, potentially resulting in a performance gap between larger and smaller enterprises. Moreover, the success of digital transformation initiatives is hindered by the pervasive resistance to cultural shifts among employees and leaders alike. Overcoming this resistance necessitates the implementation of effective change management strategies, comprehensive training programs, and transparent communication about the benefits of proposed changes. The increased reliance on technology in HRM also raises valid concerns about data privacy and security, demanding organizations to invest in robust cybersecurity measures and adhere to relevant data protection regulations. Another limitation lies in the potential oversight of qualitative aspects of employee contributions when relying solely on quantitative metrics for performance management. To address this, organizations should adopt a balanced approach that considers both quantitative and qualitative measures in evaluating individual performance. Additionally, the implementation of technology may inadvertently create disparities in technological literacy and access among employees, emphasizing the need for organizations to provide adequate training and resources to ensure equitable benefits from technological advancements. The dynamic nature of technology further compounds challenges, as what is cutting-edge today may swiftly become obsolete. To navigate this, organizations must commit to regular updates of their technology infrastructure and continuous investment in training to keep their workforce adept with the latest tools and systems. Finally, the success of the holistic approach hinges significantly on visionary leadership, making it imperative for organizations to ensure consistent and strong leadership support, as any lack thereof or a change in leadership priorities may impede the sustainability of integrated HRM and technology strategies.

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