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Human Resource Management and Skill Development in the Service Sector within the Framework of the SDGs: A Study on Distribution Companies in Denmark and Germany

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Abstract: This study aims to analyze the influence of human resource management on the development of work competencies among administrative staff in distribution companies in Denmark and Germany. The research focuses on how effective talent management contributes to the achievement of Sustainable Development Goal 8, which promotes decent work and economic growth. A quantitative research method was applied, using a non-experimental, cross-sectional design. The sample consisted of 86 employees, and data were collected through surveys and analyzed using SPSS v.25 software. The results showed a significant impact of human resource management on the improvement of work competencies, as indicated by the statistical model. The study concludes that proper human resource management can enhance employee skills and performance, contributing to organizational growth and sustainability.

Keyword: Human Resource Management, Work Competencies, Skill Development, Distribution Companies, SDG 8, Denmark, Germany.

INTRODUCTION

The effective management of human resources (HR) plays a crucial role in enhancing organizational performance, particularly in the context of globalization and technological advancements. Studies have shown that employee engagement and psychological empowerment are key factors that impact job satisfaction, organizational commitment, and overall productivity (Alagarsamy et al., 2023; Al Otaibi et al., 2023). In the service sector, where competition is fierce and customer satisfaction is paramount, HR strategies focused on empowering employees and developing their competencies are essential for achieving long-term success (Albrecht & Marty, 2020; Kaur & Mittal, 2020).

In industry Competitiveness, Liu-Lastres, Huang, and Bao (2023) explored the career choices of hospitality workers in the aftermath of COVID-19, highlighting the challenges faced by service sector employees during the pandemic. They emphasized the importance of

addressing stress management and providing support to maintain a competitive workforce (Yusriani et al., 2023).

Research on human resource management highlights the importance of aligning HR practices with the needs of employees to foster a culture of commitment and professional growth (Afshari et al., 2020). Specifically, human talent management initiatives that focus on skill development and capacity building can significantly enhance work performance and drive organizational goals (Franzen et al., 2024). Furthermore, fostering employee empowerment through leadership can promote job satisfaction and reduce turnover intentions, especially in high-demand industries such as tourism and healthcare (Ampofo, 2020; Kalogiannidis, 2021).

The relevance of psychological empowerment is underscored by its ability to mediate the relationship between leadership styles and employee outcomes, creating an environment conducive to engagement and job satisfaction (AlKahtani et al., 2021). As organizations increasingly focus on achieving Sustainable Development Goals (SDGs), particularly SDG 8, which aims to promote inclusive and sustainable economic growth, HRM practices that enhance employee competencies are critical (Stefani et al., 2024). Thus, understanding the role of HRM in skill development within the framework of SDGs is pivotal for improving both organizational effectiveness and employee well-being. Despite extensive research on human resource management (HRM) and employee engagement, several gaps persist in understanding how HRM practices influence the development of work competencies, particularly in specific sectors such as distribution companies. Much of the literature has focused on broader service industries like tourism and hospitality (Alagarsamy et al., 2023; Ampofo, 2020), but studies targeting the distribution sector, especially in the context of multinational operations in Europe, remain limited. Furthermore, the influence of globalization, digitalization, and technological advancements on HRM in these companies is an underexplored area, especially concerning how these factors contribute to employee skill development and performance enhancement (OECD, 2019; Chiavenato, 2011).

Additionally, previous research has emphasized psychological empowerment and leadership styles in fostering employee engagement (Al Otaibi et al., 2023; Kalogiannidis, 2021). However, the specific mechanisms through which HRM influences work competencies in administrative roles within distribution companies, particularly in developed countries like Denmark and Germany, have not been thoroughly investigated. Studies have primarily centered on public institutions and other sectors, leaving a gap in the understanding of HRM's role in achieving organizational goals in distribution services (Barrios et al., 2020; Piening et al., 2014).

Given the increasing relevance of Sustainable Development Goal 8, which seeks to promote decent work and economic growth, it becomes essential to assess how HRM can align with these objectives by fostering job competencies that contribute to both organizational success and employee development (Stefani et al., 2024; Franzen et al., 2024).

The objective of this study is to analyze the impact of human resource management on the development of work competencies among administrative staff in distribution companies in Denmark and Germany. This study seeks to fill the existing research gap by providing insights into how HRM practices can enhance employee skills, contributing to both organizational performance and the achievement of SDG 8.

Human resource management (HRM) plays a crucial role in the development and effective use of employee competencies, particularly in service sectors such as distribution, where efficiency and adaptability are key to organizational success. Chiavenato (2011) describes HRM as a system comprising five essential processes, wherein employees are viewed as strategic partners. These processes are:

i) Attraction of personnel – This involves recruiting individuals whose skills align with the organization's needs. The attraction phase focuses on finding candidates with the appropriate competencies, achieved through well-planned recruitment and selection strategies.

Indicators for this process include the effectiveness of recruitment methods, the precision of the selection process, and the evaluation of candidates' initial suitability for the role (Chiavenato, 2011).

ii) Organization of employees – Once employees are hired, they must be strategically placed in roles that match their qualifications. This process ensures that employees are integrated into the organization effectively, with their roles and responsibilities clearly defined. It also includes managing their performance and ensuring alignment with job requirements and organizational goals (Chiavenato, 2011; Kotiloglu et al., 2021). Successful organization of employees directly impacts both individual productivity and the broader operational efficiency of the company.

iii) Retention of employees – Retaining employees is crucial for maintaining a stable and motivated workforce. This process involves ensuring employee satisfaction and motivation through compensation packages, job security, work-life balance, and wellness programs. Indicators include employee retention rates, job satisfaction surveys, benefits, and the overall workplace climate. Effective retention strategies are vital to reducing turnover, which can be costly and disruptive (Chiavenato, 2011).

iv) Development of employees – Developing employee potential is key to long-term organizational success. This dimension emphasizes continuous training and professional development, aimed at enhancing skills and preparing employees for future challenges. Development programs include formal training, coaching, mentoring, and leadership development, which allow employees to grow professionally and contribute more effectively to the organization (Chiavenato, 2011; Kotiloglu et al., 2021). Developing talent is essential to meet evolving industry demands, especially in the dynamic distribution sector.

v) Evaluation of staff – Finally, employee evaluation is critical to monitoring performance and ensuring that employees are meeting the organization's objectives. This process involves regular feedback, performance reviews, and competency assessments. It allows management to track individual progress, assess learning outcomes, and identify areas for improvement. Proper evaluation ensures that employees remain aligned with organizational goals and continue to develop their skills (Chiavenato, 2011; Kotiloglu et al., 2021).

In addition to HRM processes, work competencies are defined as the combination of knowledge, skills, and abilities required for effective job performance (Olaz, 2021). This study considers three core dimensions of work competencies:

i) Knowledge – Refers to the theoretical and practical knowledge acquired through education and professional experience. This includes both general and specialized knowledge relevant to specific job functions, which employees apply to their daily tasks (Olaz, 2021).

ii) Capacities – This dimension relates to an employee's ability to apply their knowledge effectively within the workplace. Capacities encompass attributes such as communication skills, decision-making, adaptability, initiative, and problem-solving abilities, all of which are essential for handling complex work situations (Olaz, 2021).

iii) Skills – Skills refer to the technical and interpersonal abilities that enable employees to perform their tasks efficiently. Key skills include leadership, teamwork, customer service, and the ability to solve problems quickly and effectively. These competencies are crucial in ensuring smooth operations, especially in sectors where teamwork and client interaction are essential (Olaz, 2021).

This framework underscores the interconnectedness of HRM processes and employee competencies, highlighting the importance of attracting, retaining, and developing talent to meet the ever-evolving demands of the distribution sector. In the context of Denmark and Germany, where the distribution industry faces increasing challenges due to globalization and digitalization, effective HRM practices are vital for sustaining competitive advantage and ensuring organizational growth.

METHOD

This quantitative study employed a non-experimental, cross-sectional design with an explanatory approach, as outlined by Creswell and Creswell (2017). The research was conducted in two distribution companies located in Denmark and Germany. The study population consisted of 110 administrative employees, from which a sample of 86 workers was selected using simple random sampling. The study included administrative employees with a professional title who were working in small cities at the time of the survey, while employees who were not actively employed during the research period were excluded.

Data collection was conducted through a structured survey. The instrument used was a questionnaire designed for each variable. For the human talent management variable, a 30-question questionnaire was developed, divided into five dimensions: attraction, organization, retention, development, and evaluation of personnel. This instrument was validated by three field experts. Similarly, a 30-question questionnaire was used to assess labor competencies, focusing on three dimensions: knowledge, capacities, and skills. Responses were rated on a five-point Likert scale, ranging from 1 (never) to 5 (always).

The reliability of the instruments was tested using Cronbach's alpha coefficient, based on a pilot study conducted with 15 workers. The human talent management variable demonstrated high reliability with a Cronbach's alpha of 0.956, while the labor competencies variable showed a reliability of 0.863, confirming the instruments' consistency.

The data were processed and entered into an Excel database and then imported into SPSS v.25 software for analysis. Descriptive statistics, including absolute and relative frequencies, were used to summarize the data. Additionally, inferential analysis was conducted using the ordinal logistic regression test to assess the influence of human talent management (independent variable) on labor competencies (dependent variable). A significance level of <0.05 was applied to all statistical tests.

The study adhered to ethical guidelines. Participants were invited to participate voluntarily and provided informed consent. The ethical principles of beneficence, non-maleficence, justice, and autonomy were strictly observed. Data were neither altered nor modified, and, once analyzed, they were securely disposed of, as this is a preliminary study.

RESULTS AND DISCUSSION

Effective human resource management (HRM) focused on the development of work skills plays a crucial role in enhancing employee capabilities. Its application not only enables employees to specialize and improve their skills but also positively impacts their overall job performance and productivity. Moreover, it helps organizations meet their institutional objectives, contributing to the satisfaction of their stakeholders to be warmer and better performance (Batbaatar et al., 2017; Olian & Rynes, 1991). In this study, the aim was to analyze the influence of HRM on the development of job competencies among administrative employees in distribution companies in Denmark and Germany.

The findings show that 50.0% of respondents perceive that HRM in their organization is still in the process stage, while 30.2% believe it is fully achieved, and 19.8% indicate that it is only at an initial level. Similarly, when assessing labor competencies, 59.3% of the participants reported that their competencies are still being developed, 25.6% stated that they have fully developed their competencies, and 15.1% indicated they are at the beginning of their competency development (see Table 1).

Table 1. Descriptive Analysis of HRM and Labor Competencies

Level	HRM (%)	Labor Competencies (%)
Initial (Starting)	19.8	15.1
In Process	50.0	59.3
Achieved (Fully)	30.2	25.6
Total	100.0	100.0

Source: Data processed 2024

In addition, the results of the Chi-square test showed a value of 19.455 with a p-value of 0.000, which is less than the significance threshold of 0.05, indicating that the data are not independent (see Table 2). This confirms a statistically significant relationship between HRM practices and the development of labor competencies.

These results are consistent with the findings of Arévalo (2020), who identified a clear link between talent management and competency development. Similarly, Quijandría et al. (2022) demonstrated that HRM practices are closely associated with the enhancement of employee skills, particularly in areas that directly impact organizational efficiency. In addition, Ramírez (2024) and Intriago (2018) emphasized that effective HRM strategies not only support the development of professional competencies but also play a crucial role in fostering overall job satisfaction and employee retention. Moreover, HRM strategies have been shown to improve communication skills, a key competency for administrative employees, which is essential for maintaining smooth operations, improve employee empowerment and organizational commitment on workforce sustainability (Murray & Holmes, 2021), and fostering collaboration within management teams (Yao et al., 2020).

This highlights the importance of adopting comprehensive HRM practices that focus not only on skill development but also on enhancing interpersonal and communication abilities, critical for organizational success. Thus, in the context of distribution companies in Denmark and Germany, it can be concluded that effective human resource management significantly influences the development of administrative staff competencies, aligning with the broader goals of organizational growth and operational efficiency. These findings reinforce the importance of continued investment in HRM to ensure the sustained development of employee skills, which is critical in meeting both organizational objectives and the demands of the evolving service sector.

The model fit analysis, presented in Table 2, shows that the Chi-square value is 19.455 with a significance level (p-value) of 0.000. This indicates that the model fits the data well and that there is a statistically significant relationship between human talent management (HRM) and labor competencies.

Table 2. Model Fitment Information

Model	Log-Likelihood	Chi-Square	df	Sig.
Only Intercept	42.003			
Final Model	22.548	19.455	20	0.000

Source: Data processed 2024

The findings are in line with previous studies. For instance, Arévalo (2020) identified a significant influence of talent management on task execution competencies in the "Teleatento" company, highlighting how proper HRM practices can enhance employees' ability to perform their roles effectively. Similarly, Quijandría et al. (2022) demonstrated that human resource management is essential for improving competencies, as it positively affects both individual performance and the overall administration of the organization. In a related study, Ramírez (2024) noted that talent management had a measurable impact, influencing 4.3% of work competencies in his study, also improve decision making skill.

These results reinforce the conclusion that effective HRM strategies are crucial for the continuous development of employee skills. While the current study found a 23.9% influence of HRM on work competencies, it is clear that proper management of human talent allows organizations to foster the necessary competencies for achieving institutional goals. In the context of distribution companies in Denmark and Germany, this means that investing in HRM processes such as talent attraction, retention, and development is key to improving both individual and organizational performance.

Moreover, the results suggest that while HRM has a significant impact, there are other factors that account for the remaining 76.1% of the variance in work competencies. These could include factors such as the organizational culture, external market conditions, technological advancements, and individual employee motivations, all of which warrant further investigation. Understanding these additional factors can help organizations create a more comprehensive strategy for workforce development.

In addition, as shown in Table 3, the Nagelkerke Pseudo R-Square value is 0.239. This indicates that HRM accounts for 23.9% of the variance in the development of labor competencies. These results suggest that HRM practices play a substantial role in enhancing the skills and competencies of administrative staff in the distribution companies studied.

Table 3. Pseudo R-Squared Values

Measure	Value
Cox and Snell	0.202
Nagelkerke	0.239
McFadden	0.120

Source: Data processed 2024

This study is significant because demonstrating that human talent management influences the development of administrative employees' work competencies in distribution companies highlights the potential for improving employee performance. By developing and specializing the skills of employees, organizations can enhance both individual and organizational performance. This contributes to the achievement of institutional goals, and in the context of service sectors, leads to greater satisfaction among stakeholders, such as customers and partners (Batbaatar et al., 2017; Oljan & Rynes, 1991).

In conclusion, this study underscores the importance of human talent management in shaping the competencies of administrative employees in the service sector. Organizations that prioritize the development of their workforce through effective HRM practices are better equipped to adapt to changing market conditions and meet the demands of a competitive global environment. Further research could explore other elements influencing work competencies to develop a more holistic approach to human resource development in distribution companies.

CONCLUSION

This study confirms that human talent management significantly influences the development of work skills, with an impact of 23.9%. This finding underscores the critical role that effective HRM plays in fostering the competencies of administrative employees. As a key determinant of skill development, human talent management not only enhances individual performance but also contributes to overall organizational success. In the context of distribution companies in Denmark and Germany, prioritizing the development and specialization of employees' skills has the potential to improve both operational efficiency and stakeholder satisfaction.

The results of this study suggest that strengthening human talent management practices with a focus on competency development is essential for enhancing employee capabilities. By doing so, companies can optimize their workforce performance and align better with

institutional objectives, leading to more sustainable growth and improved competitiveness in the service sector. The enhancement of these competencies is particularly valuable for addressing the challenges of a rapidly evolving business environment.

While the study offers important insights, it is limited by its focus on distribution companies in two countries. To generalize these findings, further research should include comparative studies involving similar sectors in other regions. Future investigations could also explore additional factors that contribute to work competency development, providing a more comprehensive understanding of the role of human talent management across various industries.

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