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## The Role of Human Resource Management in Improving Organizational Performance

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**Abstract:** The implementation of human resource management strategies is useful for evaluating how well employees perform their jobs and their competence in the field. Apart from that, there is an increase in employee performance due to system changes as well as motivation, targets, compensation and rewards. The objective of this research is to explore how human resource management strategies improve employee performance. The research results show that in the realm of business and management, the role of human resource management (HR) in improving organizational performance is very important. This type of research is qualitative research, with collection tools. The data uses observation, interviews and documentation methods. This research is characterized as descriptive qualitative, in its data analysis techniques using data reduction, data display, and conclusion drawing or verification, by analyzing several HR journals and reference books, it produces evidence that Human Resource Management is recognized as a vital element for improving organizational performance. Resource Management is seen as a strategic resource that can give a company a competitive advantage in the long term. The main goal of Resource Management management is to provide a workforce that is productive and successful in achieving the company's strategic goals.

**Keyword:** Management, Human Resource, Qualitative research, & Job performance.

## INTRODUCTION

Human Resource (HR) performance is a key factor in determining the success of an organization, be it a company, government agency, or non-profit organization. HR performance encompasses the effectiveness and efficiency of the workforce in fulfilling their duties and responsibilities in alignment with organizational goals. Good performance can contribute greatly to the achievement of the organization's vision and mission, as well as being able to increase competitiveness in an increasingly competitive market. In this era of globalization, the challenges faced by organizations are increasingly complex and dynamic. Therefore, effective HR management is very important in supporting the achievement of organizational goals. Some of the factors that affect HR performance include motivation, leadership, training,

work environment, and the management policies implemented. Therefore, a good understanding of these factors and their implementation in HR management practices is needed. Human resource management focuses on achieving targeted goals (effectiveness) while utilizing minimal resources (efficiency) is highlighted as one of the key components of organizational success (Suryani & FoEh, 2018), HR performance is influenced by various factors, including organizational commitment, job satisfaction, and development opportunities. An all-encompassing approach to improving HR performance usually includes a wide variety of activities such as strategic planning, planned system development, and long-lasting performance assessment. In carrying out their work, employees produce something called performance. Employee performance is important for a company, because with good employee performance, it will be able to achieve the targets set by the company (Bagis et al., 2021). The company as an organization has a goal of making a profit. This performance is a combination of three important factors, namely the ability and interest of a worker, the ability and acceptance of the explanation of the delegation of tasks and roles and the level of motivation of a worker.

## METHOD

According to Miles and Huberman in Sugiyono (2020) suggest that activities in qualitative data analysis are carried out interactively and take place continuously until completion, so that the data is saturated. The steps are as follows:

1. Data Collection In qualitative research, data are collected by observation, in-depth interviews, and documentation or a combination of the three (triangulation). The process of data collection can consume a lot of time, often stretching over days to even months, thus generating huge data. In the early stages, researchers conducted a general exploration of the social situation/object under study, everything seen and heard was recorded. Thus, the researcher will obtain very much and very varied data.
2. Data Reduction The longer the researcher goes to the field, the more the amount of data will be large, complex and complicated. For this reason, it is necessary to immediately analyze the data through data reduction. Data reduction is done in three stages: first, data summarization; second, filtering; and lastly key information focus. Thus, the data that has been reduced will provide a clearer picture, and make it easier for researchers to go on, and look for it when needed.
3. Presentation of Data (Data Display) After the data has been reduced, the next step is to display the data. In qualitative research, data is presented in the form of narrative text.
4. Conclusion Drawing / verification Conclusions in qualitative research are new findings that have never existed before. Findings can be in the form of a description or description of an object that was previously dim or dark so that after research it becomes clear.

## RESULTS AND DISCUSSION

According to Edy Sutrisno (2016) Human Resource Management (HRM) is: "Planning activities, procurement, development, maintenance, and use of human resources to achieve both individual and organizational goals." According to Hasibuan (2016) human resource management is "the science and art of regulating the relationship and role of labor so that it effectively and efficiently helps realize the goals of the company, employees, and society".

Human Resource Management (HRM) is a method of managing human resources in an organization in order to be able to achieve the goals of the organization optimally through the development of human resources themselves (Winarti, 2018). Human resource management is a form of management that focuses on the human element as a production factor with its various activities to achieve organizational goals. Human resources are considered a very crucial investment for the company. Without human resources, other production factors cannot function optimally to achieve company goals. The role of humans in achieving these goals is

very important in achieving organizational goals (Dewi, Sudipta and Setyowati, 2016). Human resource management in a company is essentially a process carried out by the company to handle its employees, who are often referred to as HR.

This process starts from recruitment, which includes human resource planning, position analysis that determines the type of job and the appropriate position, selection, training and development, performance appraisal, provision of rewards, as well as updates related to retirement and termination. According to Bintoro and Daryanto (2017) state that “Human resource management, abbreviated as HRM, is a science or a way of how to manage the relationship and role of resources (labor) owned by individuals efficiently and effectively and can be used optimally so that the common goals of the company, employees and society are maximized”. According to Bintoro and Daryanto (2017) state that “Human resource management, abbreviated as HRM, is a science or a way of how to manage the relationship and role of resources (labor) owned by individuals efficiently and effectively and can be used optimally so that the common goals of the company, employees and society are maximized”.

The relationship between Human Resources and Employee Performance Human Resources, according to Sedarmayanti (Penambunan, Sambiran, & Kimbal, 2019), is the workforce or employees in an organization that plays an important role in achieving organizational success. Ndraha (Penambunan, Sambiran, & Kimbal, 2019) defines human resources as people who are ready, willing, and able to contribute to the achievement of organizational goals. High-quality human resources are defined as individuals who are responsible for an organization and have the desire to develop their own potential and encourage their colleagues to develop. Therefore, it is imperative for organizations to ensure that they have high-quality human resources that can produce optimal output. An employee's ability to carry out assigned tasks and responsibilities is one of these qualities. This requires sufficient education, effective training, and relevant experience. Lack of competent employees can affect business productivity, in 2017 by Widodo, Aisyah, Utami, Sunardi, and Sudarsih corroborated this opinion.

Research by Budianto (2020), aims to find out that the role of human resource management is very influential in improving the performance of CV. Mitra Jaya Bersama Banjarbaru employees, and also to find out how to improve performance by using the role of human resource management, and to find out how human resource management in CV. Mitra Jaya Bersama Banjarbaru according to the perspective of management economics. Based on security and direct research, it turns out that there are three roles of human resource management applied by CV. Mitra Jaya Bersama Banjarbaru to improve the performance of its employees, namely:

- 1) The Role of Human Resource Management Administration.

This role intends to regulate one of the employees to have more knowledge in the field of administration, because this role is only carried out by one employee who specifically holds the administration section at CV. Mitra Jaya Bersama Banjarbaru. in charge of data processing, including storing employee databases and archives, benefit claim processes, organizational policies regarding employee maintenance and welfare programs, document collection, and so on.

- 2) Operational Role of Human Resource Management.

This role at CV Mitra Jaya Bersama Banjarbaru is more tactical in nature which serves as a guideline for processing job applications, selection and interview processes, compliance with policies and regulations, employment opportunities with good conditions, training with development, K3 programs, and compensation systems, many activities must be carried out in involving coordination with managers with supervisors at all levels of the company. With this operational role, it is very helpful for companies to add employees or recruitment. As well as making it easier for companies to choose

qualified employees who have work experience and have qualified skills in order to increase company income.

### 3) Strategic Role of Human Resource Management.

The strategic role at CV Mitra Jaya Bersama Banjarbaru serves to emphasize that people in the company are an important resource and a major company investment. For human resources to play a strategic role, it must focus on long-term resource issues and implications.

Ni Kadek Yuliandari (2023) conducted research with results showing that human resource management strategies have a good impact on improving employee performance and have a positive impact on the company. This has been proven by the achievement of targets set by the company by employees. The implementation of human resource management strategies, namely in the recruitment, selection, training or training process, has a good impact on improving employee performance because potential employees have been properly screened according to the procedures set by the company. Judging from the results of the interview process, employees also have excellent skills, which can be polite, friendly and can communicate well with their customers. The most important thing is applied in the field of work, especially in the delivery courier, because it will have an impact on honesty. Because honesty is very important in doing their work, company employees are required to always be responsible and maximize their respective jobs.

Siska Asriyanti (2024) conducted research with the results of using successful HR management strategies, employees can become more productive at work. by optimizing human resources and developing a corporate culture that supports flexibility and innovation HR management strategies that include careful recruitment and selection, planned training and development, as well as fair compensation policies and motivating incentives, are positively correlated with increased work productivity. The role of HR management strategies in improving employee productivity is very important in the context of managing an organization. Some of the important roles of strategy Human resource planning, effective recruitment and selection, and employee development are all part of HR management to improve employee productivity, effective performance management, compensation and reward, conflict management and employee welfare and open and clear communication. By integrating the company can achieve its business objectives more efficiently and productively by using an effective HR management approach.

Some of the theories applied in the study use the opinion of Nurjaman et al., (2020) Human resource management (HRM) has the following characteristics.

1. The HRM system consisting of various HRM elements, such as practices, is a subsystem of the management system.
2. Employees are considered a source of sustainable competitive advantage; in other words, they are a strategic resource.
3. Subsystem as part of a macro system or organization at large.
4. All of the above definitions focus on the fit between HRM and management strategy. Proponents of this way of thinking believe that optimal HRM practices will vary with management strategy. They emphasize the importance of how HRM strategies and systems fit together.
5. Focus on the effects that influence organizational performance.

While the activities that are generally included in the scope of HRM in Ni Kadek Yuliandari's research (2023) have several functions as follows:

1. Planning. Planning In human resource management planning functions as a measuring point in a decision that has previously been well calculated, about what steps the company will take in the future, so that these goals can be achieved.
2. Recruitment. Recruitment In this process, recruitment functions in taking candidates as qualified and competent employees to be able to fill vacancies in the company. In the

recruitment process, of course, it requires careful decisions so that the candidates who will become employees meet the qualifications and specifications in accordance with their division, in order to achieve company goals.

3. **Selection.** Selection In selection activities, a process will be carried out in finding suitable and most appropriate workers or employees from several available candidates. The stages carried out are first, receiving an application letter, then after that a curriculum vitae check will be carried out. Furthermore, after these stages, tests will be carried out either through written tests or interviews.
4. **Training.** In training, an initial learning process or provision of skills and concepts to improve employee performance will be carried out. Training in a company has been regulated in the law in 2003. This training aims to provide, obtain, improve and develop work competencies.
5. **Performance evaluation (Evaluation).** This performance evaluation is very important in human resource management. In this performance evaluation, it will be seen how employees perform in carrying out their duties. This performance evaluation is closely related to the monitoring function and reporting function and is useful so that the company can evaluate its performance and not make the same mistakes again.
6. **Compensation.** This function aims to provide rewards or direct services, which can be in the form of money or goods for good performance for the achievements made by the employee. The principle of this compensation is fair and feasible and adjusts to the achievement.
7. **Integration.** Integration Is an activity to unite the interests of the company with the needs of employees, in order to create good cooperation and can be good and can benefit both parties.
8. **Maintenance.** Maintenance In this activity, maintenance or improvement will be carried out in the mental, physical and loyalty conditions of workers in order to create long cooperation.
9. **Dismissal.** Dismissal The human resource management party also regulates dismissal or termination of employment, which is the termination of a company's working relationship with the workforce.

## CONCLUSION

The results show that in the realm of business and management, the role of human resource management (HRM) in improving organizational performance is very important. Today, organizations face demands to improve quality and efficiency while remaining responsive to the needs of society. They are also struggling with complex strategic challenges. As such, HR management is becoming increasingly crucial to achieving corporate goals innovatively, efficiently and effectively. HR management is recognized as a vital element to improve organizational performance. HR is recognized as a strategic resource capable of providing companies with a long-term competitive advantage. Processes such as planning, organizing, directing, and managing are part of the decisions and procedures that are important in HR management. These are practices that affect aspects of human resources. The main goal of HR management is to provide a workforce that is productive and successful in achieving the company's strategic goals.

Effective human resource management is critical for enhancing organizational performance. People management is the study of managing individuals within a company with the aim of building a healthy work culture, strengthening employee participation, and improving overall results. Human resource management is able to create an efficient work environment and ensure that the company has a high-performing team by paying attention to elements such as inspirational leadership, human resource development, diversity management, and results-based performance appraisal. By implementing appropriate human



resource management strategies, organizations can enhance their ability to solve business challenges, increase competitiveness, and achieve long-term success.

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