Management Studies and Business Journal (PRODUCTIVITY)

Vol 1 (1) 2024 : 130-137

Strategic Human Resource Planning in the Era of Digital Transformation

Perencanaan Strategis Sumber Daya Manusia di Era Transformasi Digital

Aan Adiazmil. S, Muhammad Hidayat, Dynah A. Basuil

Institut Dharma Bharata Grup, STIE Persada Bunda, Asian Institute of Management, Manila *aanadiazmil99@gmail.com, m.hidayat2901@gmail.com, dynah.basuil@aim.edu

ABSTRACT

Digital transformation has had a significant impact on business and human resource management (HR). This research explores "Strategic Human Resource Planning in the Era of Digital Transformation" through a systematic literature review. Key findings include deep technology integration, key stakeholder engagement, and an emphasis on developing employee skills and leadership as crucial elements in responsive HR planning. Organizations that successfully align HR planning with sustainable development goals also create broader positive impacts. Nonetheless, implementation challenges such as change resistance, technological uncertainty, and difficulty in predicting skills needs are a major focus. In conclusion, this research provides in-depth insights, highlights knowledge gaps, and details future research opportunities to help organizations navigate the changing dynamics of the digital era.

Keywords: Strategic Human Resource Planning, Digital Transformation, Technology Integration

ABSTRAK

Transformasi digital memberikan dampak signifikan terhadap bisnis dan pengelolaan sumber daya manusia (SDM). Penelitian ini mengeksplorasi "Perencanaan Strategis Sumber Daya Manusia di Era Transformasi Digital" melalui tinjauan pustaka yang sistematis. Temuan utama mencakup integrasi teknologi yang mendalam, keterlibatan pemangku kepentingan utama, dan penekanan pada pengembangan keterampilan dan kepemimpinan karyawan sebagai elemen penting dalam perencanaan SDM yang responsif. Organisasi yang berhasil menyelaraskan perencanaan SDM dengan tujuan pembangunan berkelanjutan juga akan menciptakan dampak positif yang lebih luas. Meskipun demikian, tantangan implementasi seperti resistensi terhadap perubahan, ketidakpastian teknologi, dan kesulitan dalam memperkirakan kebutuhan keterampilan merupakan fokus utama. Kesimpulannya, penelitian ini memberikan wawasan mendalam, menyoroti kesenjangan pengetahuan, dan merinci peluang penelitian di masa depan untuk membantu organisasi menavigasi dinamika perubahan di era digital.

Kata Kunci: Strategic Human Resource Planning, Digital Transformation, Technology Integration

Introduction

Digital transformation has had a substantial effect on various aspects of existence, which includes the world of enterprise and human resource management (HR). The improvement of the facts era inclusive of artificial intelligence, big statistics, analytics and automation has modified the business landscape profoundly (Fenech, 2019). In this context, research on "Strategic Human useful resource making plans within the generation of digital Transformation" becomes more and more relevant and vital. Strategic Human useful resource planning is a technique that aligns human resource management with the general strategy and dreams of a company. It involves developing a comprehensive plan that outlines the company's

^{*}Corresponding Author

human resource desires, strategies, and actions to gain its goals. Inside the technology of digital transformation, Strategic Human resources planning performs an important function in making sure that organizations can adapt to the changing landscape and leverage era to pressure growth and innovation (Vardarlier, 2020). Strategic human resource (HR) making plans is vital to ensuring companies can face the fast changes as a consequence of digital transformation.

Through a systematic literature review method, this research aims to provide a comprehensive understanding of how HR planning can be aligned with the dynamics of digital transformation that continues to develop (Gao, 2024). An organization's success in adopting and integrating HR planning with digital transformation can be a determining factor in achieving strategic goals. Consequently, this study is not only academic in nature, but additionally has a vast realistic impact in assisting corporations recognize and design powerful HR guidelines on this digital generation (Yadnya, 2023).

Digital transformation has delivered several blessings to human resource control (HR), which include, digital transformation has enabled HR to automate repetitive duties, simplify approaches, and decrease guide mistakes, resulting in extended performance and productiveness (Shuguang, 2021). Digital transformation has facilitated the improvement of recent competencies and information among employees, enabling them to evolve to converting job requirements and technological advances. Digital transformation has enabled HR to align with sustainable improvement goals by decreasing paper use, electricity intake and carbon footprint, resulting in a greater environmentally pleasant place of job. Digital transformation has enabled HRM to offer a better worker enjoyment by presenting self-carrier portals, cell apps and other digital tools that allow personnel to effortlessly access records and offerings. Digital transformation has enabled HRM to make use of records evaluation and different digital gear to make knowledgeable decisions regarding recruitment, overall performance management, and different HRM capabilities (Zehir, 2020). In the end, digital transformation has delivered numerous blessings to Human assets, inclusive of expanded performance, capabilities development, sustainable development, stepped forward worker experience, and advanced decision making. Organizations that implement digital transformation in their HRM practices are likely to achieve competitive advantage in the digital era (Li-Lun, 2023).

The problem phenomena that form the basis of this research include rapid changes in skills requirements, the evolution of technology-driven business models, and the demand for adaptive and innovative human resources. Although the literature has widely discussed aspects of digital transformation and HR planning, there is still a knowledge gap regarding the holistic integration of these two domains. In relation to the research gap, this research will fill this gap by detailing and synthesizing findings from key literature. Through an inductive approach, this research will build a deep understanding of the relationship between HR planning and digital transformation, as well as highlight the opportunities and challenges that need to be addressed to increase the effectiveness of HR management in this digital era. Thus, this research is crucial in providing strategic guidance for organizations that are facing the dynamics of change in a business world that continues to transform.

Research Method

This research began with the identification of main keywords, including "Strategic Human Resource Planning" and "Digital Transformation". To broaden the scope of the search, synonyms and related phrases such as "HRM Strategy", "Strategic Workforce Planning", "Digital Revolution", and "Technological Transformation" were added. In the selection of academic databases, primary focus was given to databases such as PubMed, IEEE Xplore, Springer, and ScienceDirect to ensure multidisciplinary and in-depth coverage of HR and digital transformation topics.

2

The initial search process is carried out with main keywords and boolean operators such as "AND" to detail the search. For example, "(HRM OR Human Resource Management) AND (Digital Innovation OR Technological Change)". The search was limited to peer-reviewed articles, and prioritized those published within the last five years to remain relevant.

Inclusion and exclusion criteria were set to filter articles that were relevant to the study. Articles that did not focus on the relationship between HR planning and digital transformation or that were not in English were excluded. Next, the article quality evaluation process is carried out by considering whether the article has gone through a peer-review process and whether it was published in a trusted journal in the fields of HR and technology.

The results of the search and filtering left 29 final articles that were considered in-depth and relevant. Data analysis was carried out by extracting findings and research methodology from each article, as well as compiling a literature synthesis to understand trends and dominant research approaches. Overall, this systematic literature review method aims to provide a comprehensive view of the integration of strategic HR planning and digital transformation, by drawing consistent and meaningful findings and approaches from the various literature that has been reviewed.

Results and Discussions

1. Technology Integration in HR Planning

Digital transformation provides an important foundation for integrating technology in human resource (HR) planning. In this era, artificial intelligence, big data analysis and technology platforms have become invaluable tools in improving the efficiency and effectiveness of HR planning. The use of artificial intelligence, for example, enables automation processes in employee selection, identifying potential talent, and predicting future skills needs. Big data analysis helps HR make decisions supported by facts, extract insights from employee data to understand behavioral trends, and plan human resource needs based on empirical data (Gilch, 2021).

The application of technology platforms, such as integrated HR management systems and performance analysis software, also contributes to increasing the efficiency of the HR planning process. Utilization of this platform allows easy access to employee information, real-time performance monitoring, and planning of skills development needs (Mazurchenko, 2019). The research results show that organizations that proactively adopt technology in HR planning tend to have systems that are more responsive and adaptive to change, creating a more efficient and innovative work environment. Therefore, technology integration not only speeds up the HR planning process, but also produces strategies that are more contextual and appropriate to the dynamics of digital transformation (Poba-Nzaou, 2020) (Udovita, 2020).

2. Involvement of Key Stakeholders in the Planning Process

The importance of key stakeholders, in particular top-level control and business units, in the human resources (HR) making plans method is becoming an increasing number of distinctions inside the generation of digital transformation. The active role of key stakeholders is not just an organizational formality, however an aspect that has a significant effect on the achievement of HR planning. Key stakeholders, by understanding the organization's vision and goals, can provide valuable insight regarding skills needs relevant to technological change (Halid, 2020).

Good collaboration between HR and business units is key in supporting strategic HR planning. In the context of digital transformation, key stakeholders can contribute by providing information about the direction of business development, future workforce needs, and company strategies that will be adopted. Top level management, as the main key stakeholder, can ensure that HR policies are integrated with the overall organizational strategy (Galanti, 2023) (Ghobakhloo, 2021).

By proactively engaging key stakeholders, organizations can identify skills needed relevant to technological change. Key stakeholders may have a more holistic view of changes in the industry and can help HR design skills development programs accordingly. Thus, strong involvement of key stakeholders not only supports HR planning that is responsive to external dynamics, but also creates synergy between business needs and human resource management. As a result, organizations can more easily overcome challenges and take advantage of opportunities that arise in the era of digital transformation (Mitrofanova, 2019) (Abdeldayem, 2020).

3. Employee Skills and Leadership Development

Emphasis on developing employee skills and leadership is a crucial element in effective human resource (HR) planning in the era of digital transformation. Findings show that organizations that dedicate efforts to engage employees in digital and leadership skills development are likely to reap positive benefits in the face of technological change (Samarasinghe, 2020) (Ruitao, 2023).

Developing employee skills is a must in an era where technology continues to develop. This initiative involves providing training and learning that suits industry and company needs. Additionally, inclusive approaches, such as mentoring programs and access to digital learning resources, can advance employee skills in a sustainable manner. Organizations that prioritize the development of these skills can create an environment where employees feel supported to adapt themselves to technological changes (Misbah, 2020) (Adawiah, 2023).

In addition, the role of employee leadership is crucial in optimizing the innovative potential of the workforce. Organizations that facilitate leadership from multiple levels and promote a culture of collaboration tend to be more innovative. It entails empowering personnel to take initiative, percentage thoughts, and contribute to the business enterprise's innovation process. Inside the context of digital transformation, employee management is the primary driver of organizational adaptability and potential to make use of the progressive ability of each person (Junita, 2021) (Emran, 2023).

For that reason, an emphasis on developing employee abilities and management now not handiest will increase the employer's resilience to technological change, but additionally creates an environment where employees feel engaged, inspired, and able to make most contributions to organizational desires and innovation.

4. Alignment with Sustainable Development Goals

The findings display that the combination of human useful resource (HR) making plans with digital transformation does not most effectively involve inner components of the organization, but also can pay interest to external influences, mainly sustainable improvement desires. organizations that efficiently align HR making plans with sustainable development desires display a dedication to social and environmental obligation, developing advantageous affects past operational sustainability. Concrete steps taken via the organization encompass reducing paper use by using digital technology for documentation and internal verbal exchange. In addition, efforts to reduce electricity consumption and assist using renewable power are an essential part of the HR planning approach. The usage of technology is likewise implemented to enhance sustainability in the place of job, which includes via making use of digital solutions for monitoring and managing assets, in addition to integrating sustainable guidelines in HR decisions (Sachdeva, 2023) (Huang, 2022).

The significance of this alignment is not only to create a wonderful effect on the environment, but can also improve the corporation's recognition in the eyes of stakeholders. Businesses that take note of sustainable improvement goals in HR planning can make stronger relationships with personnel, customers and commercial enterprise partners who're increasingly involved with sustainable troubles (Rêcross, 2021) (Liu, 2022).

Accordingly, the mixing of sustainable development desires in HR planning within the digital transformation generation isn't only a reflection of the organization's social duty, however additionally a long-term investment to create added value in a holistic and sustainable manner (Abidi, 2023) (Amalia, 2022).

5. Challenges of Implementing Strategic HR Planning in the Digital Era

Although strategic human resource (HR) planning in the digital era offers great potential, this research highlights several crucial challenges that are often faced in implementing this strategy (YuLing, 2023).

a. Resistance to Change

The main challenge is resistance to change from employees. As new technologies are adopted and work processes change, employees may experience concerns about changing jobs, losing positions, or changing team dynamics. Management needs to implement effective communication strategies to allay concerns, provide necessary training, and involve employees in the change process.

b. Technological Uncertainty

Rapid technological developments can create uncertainty. Organizations need to adapt to constantly changing technological developments, and this can create difficulties in selecting and implementing the most appropriate solutions. Investing time and resources in technology trend monitoring, as well as partnerships with leading technology providers, can help address this uncertainty.

c. Difficulty in Predicting Skill Needs

With rapid changes in market demands and technology, predicting the skills requirements that will be required in the future is a challenge. Organizations need to adopt a flexible approach, giving priority to the development of general skills that can be adapted to contextual changes. Analysis of employee data and HR roles can help in identifying trends and evolving skills needs.

d. Understanding and Mitigating Challenges

A deep understanding of these challenges is a crucial first step. Organizations need to create cross-functional teams involved in the HR planning process to understand the dynamics involved. Additionally, mitigation strategies must be implemented proactively. This includes an effective communicative approach, training programs accessible to all employees, and flexible strategies for dealing with technological uncertainty.

In facing these challenges, organizations can achieve strategic HR planning success in the digital era by adopting a holistic and adaptive approach. Effective HR planning must include strategies to overcome resistance to change, deal with technological uncertainty, and respond quickly to changing skills needs in the dynamic digital era (Trushkina, 2020).

Conclusion

In exploring "Strategic Human Resource Planning in the Era of Digital Transformation" through the Systematic Literature Review method, this research reveals important findings. Technology integration, especially through artificial intelligence, big data analysis and technology platforms, is proven to be a deep foundation in responsive and adaptive HR planning in the era of digital transformation. The success of this planning also depends heavily on the involvement of key stakeholders, particularly upper management and business units, who contribute to the identification of skills relevant to technological change.

The importance of developing employee skills and leadership was also revealed as a determining factor. Organizations that prioritize the development of employee digital and leadership skills are able to face technological change more readily, while optimizing the innovative potential of their workforce. On the other hand, this research highlights that aligning HR planning with sustainable development goals is an important strategic step. The integration of technology to reduce environmental footprints and the development of sustainable policies are integral to successful HR planning in the digital era.

However, implementation challenges are also a major highlight. Resistance to change, technological uncertainty, and difficulties in predicting skills needs are obstacles that need to be overcome. In looking to the future, this research identifies knowledge gaps in the literature, offering opportunities for continued research. Focusing on innovative HR planning models and change management strategies amidst digital transformation can be key steps to fill this gap.

In conclusion, this research not only provides in-depth insight into HR planning in the digital era, but also highlights challenges, opportunities and future research directions that can help organizations understand and deal with the dynamics of change in the ever-evolving business world.

References

- Abdeldayem, M. M., & Aldulaimi, S. H. (2020). Trends and opportunities of artificial intelligence in human resource management: Aspirations for public sector in Bahrain. *International Journal of Scientific and Technology Research*, 9(1), 3867-3871.
- Abidi, M., Zolfaghari Zafarani, R., & Haghighi, M. (2023). Designing a human resources competency model in the age of digital transformation. *Iranian journal of educational sociology*, 6(1), 103-116.
- Amalia, M. R. (2024). The Impact of Digital Era 4.0 Transformation on Human Resources Management. Management Studies and Business Journal (PRODUCTIVITY), 1(1), 89-98
- Andi Adawiah, E.A. (2023). Digital Transformation Impact on Human Resource Management Practices in Indonesia: Exploring Technology-Based Approaches. International Journal on Recent and Innovation Trends in Computing and Communication.
- Emran, H.A., & Elhony, F... (2023). The Implications of Digital Transformation and Its Impact on Human Resource Management Strategies. East Asian Journal of Multidisciplinary Research.
- Fenech, R., Baguant, P., & Ivanov, D. (2019). The changing role of human resource management in an era of digital transformation. *Journal of Management Information & Decision Sciences*, 22(2).
- Galanti, T., De Vincenzi, C., Buonomo, I., & Benevene, P. (2023). Digital Transformation: Inevitable Change or Sizable Opportunity? The Strategic Role of HR Management in Industry 4.0. *Administrative Sciences*, *13*(2), 30.
- Gao, H. (2024). The Reform of Human resource management in Enterprise Digital Transformation. In *SHS Web of Conferences* (Vol. 181, p. 04026). EDP Sciences.
- Ghobakhloo, M., & Iranmanesh, M. (2021). Digital transformation success under Industry 4.0: A strategic guideline for manufacturing SMEs. *Journal of Manufacturing Technology Management*, 32(8), 1533-1556.
- Gilch, P. M., & Sieweke, J. (2021). Recruiting digital talent: The strategic role of recruitment in organisations' digital transformation. *German Journal of Human Resource Management*, 35(1), 53-82.
- Halid, H., Yusoff, Y. M., & Somu, H. (2020, May). The relationship between digital human resource management and organizational performance. In *First ASEAN Business, Environment, and Technology Symposium (ABEATS 2019)* (pp. 96-99). Atlantis Press.

- Huang, J. (2022). Adaptive Change of Human Resource Management from the Perspective of Digital Transformation: A case study of J Company. BCP Business & Management.
- Junita, A. (2021, January). The creative hub: Hr strategic function in the digital age. In 4th international conference on sustainable innovation 2020-accounting and management (ICoSIAMS 2020) (pp. 229-235). Atlantis Press.
- Li-Lun, L., & Yao-Jen, S. Digital Transformation and Strategic Analysis of Human Resource Value.
- Liu, L., & Su, Y. (2022). Digital Transformation and Strategic Analysis of Human Resource Value. Advances in Management and Applied Economics.
- Mazurchenko, A., & Maršíková, K. (2019). Digitally-powered human resource management: Skills and roles in the digital era. *Acta Informatica Pragensia*, 8(2), 72-87.
- Misbah, M., & Budiyanto, B. (2020, October). Strategic human resources management to take the challenges of the society era 5.0. In *International Conference of Business and Social Sciences*.
- Mitrofanova, A. E., & Konovalova, V. G. (2019). Opportunities, problems and limitations of digital transformation of HR management. *European Proceedings of Social and Behavioural Sciences*.
- Poba-Nzaou, P., Galani, M., & Tchibozo, A. (2020). Transforming human resources management in the age of Industry 4.0: a matter of survival for HR professionals. *Strategic HR Review*, 19(6), 273-278.
- Purwoko, B. (2015). Influence of service quality and customer satisfaction and loyalty trust foreign tourists visit the attractions in East Java Indonesia. European Journal of Business and Management. ISSN, 2222-1905.
- Rêgo, B. S., Jayantilal, S., Ferreira, J. J., & Carayannis, E. G. (2021). Digital transformation and strategic management: A systematic review of the literature. *Journal of the Knowledge Economy*, 1-28.
- Ruitao, Z. (2023). Study on Countermeasures and Suggestions for Human Resource Management of Enterprises in the Context of Digital Transformation. *Academic Journal of Business & Management*, 5(22), 64-70.
- Sachdeva, S., & Wadera, D. (2023). DIGITAL TRANSFORMATION OF HUMAN RESOURCES COMMUNICATION: A COMPREHENSIVE REVIEW. *Journal of Philanthropy and Marketing*, *3*(1).
- Samarasinghe, K. R., & Medis, A. (2020). Artificial intelligence based strategic human resource management (AISHRM) for industry 4.0. *Global Journal of Management and Business Research*, 20(2), 7-13.
- Shuguang, W., & Shuyang, Z. (2021, April). Transformation and Strategic Development of Human Resource Management in Public Sector Under Digital Economy. In 2021 6th International Conference on Social Sciences and Economic Development (ICSSED 2021) (pp. 77-80). Atlantis Press.
- Trushkina, N., Abazov, R., Rynkevych, N., & Bakhautdinova, G. (2020). Digital transformation of organizational culture under conditions of the information economy. *Virtual Economics*, 3(1), 7-38.
- Udovita, P. V. M. V. D. (2020). Conceptual review on dimensions of digital transformation in modern era. *International Journal of Scientific and Research Publications*, 10(2), 520-529.
- VARDARLIER, P. (2020). Digital transformation of human resource management: Digital applications and strategic tools in HRM. *Digital business strategies in blockchain ecosystems: Transformational design and future of global business*, 239-264.
- Yadnya, I. D. G. S. A., Izaak, F. D. L., & Ausat, A. M. A. (2023). Strategic Engineering of Human Resources Development (HRD) to Respond to the Digital Transformation Era in the Context of Business Information Systems. *Polgan Minfo Journal*, 12(2), 2584-2591.
- YuLing, L., SuHua, L., HuiLin, Q., & Loang, O. K. (2023). UNLOCKING THE POTENTIAL OF STRATEGIC HRM IN THE DIGITAL AGE: A CONCEPTUAL FRAMEWORK FOR DIGITAL TRANSFORMATION. *Journal of Islamic*, 8(52), 215-226.

Zehir, C., Karaboğa, T., & Başar, D. (2020). The transformation of human resource management and its impact on overall business performance: big data analytics and AI technologies in strategic HRM. *Digital Business Strategies in Blockchain Ecosystems: Transformational Design and Future of Global Business*, 265-279.