

## COMPETITIVE ADVANTAGE THROUGH HUMAN RESOURCES

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### Abstract

Human resources are the main factor in an organization that is built based on the interests of needs and implementation. Effective management of human resources (HR) must be considered in order to support the strategies that will be implemented in order to increase competitiveness in the global market and contribute to creating competitive advantage within an organization. Competitive advantage can be created through effective human resource management by taking into account the internal and external factors the organization will face. In addition, competitive human resources need to be supported by several elements, namely strategies in human resource management, organizational resources, and organizational strategy. Researchers use descriptive analysis as a research method, using a qualitative approach, while qualitative research is research that does not start from a theory that has been prepared beforehand, but starts from the field based on the natural environment. Meanwhile the results of this study explain that HR management is the development of human resources which has the function of planning, implementing, recruiting, training, career development of employees or employees and carrying out initiatives for organizational development. With the development of HRM, all related activities or work run smoothly and efficiently. The concept of HRM is in line with the change in the managerial paradigm which places competitive advantage as one way for organizations to achieve success. In principle, HR management includes several activities that significantly affect the entire work area of the company. The importance of the field of HR in the life cycle of an institution or company, as technology develops, many jobs cannot be replaced by computers because of their human-oriented nature.

**Keywords:** Excellence, Competitiveness, Human Resources

### A. INTRODUCTION

Employees are the most valuable asset. For this reason, the role of human resources is very important. Behind every successful company and institution there is a team of reliable human resource managers who are able to meet every employee's needs in the workplace, in order to be able to create significant changes and employee productivity (Anatan, 2005). The human element seen from its potential is called a resource, in contrast to material resources. Basically humans are potential/abstract resources that cannot be measured in quantity. Potential is the process and result of the interaction of physical and psychological substances, in the form of the ability to create, the ability to imagine, think and generate ideas, creativity, initiative, problem solving, predicting insight into the future, skills expertise. For this reason, a company needs to have only a few potential, quality people who will be able to lead the organization to achieve success (Rusdiana, 2022).

According to Ellitan (2002) HR is an active subject that determines not a passive object that is determined. By determining the physical and psychological potential that human resources have, they carry out various activities, one of which is work, as an effort to realize the existence of the organization/company. For this reason, humans use material and financial resources as a tool to achieve the strategic goals of the organization/company. HR maximizes the achievement of goals. In work, speed and determination are needed to collect, process and

utilize information. The result must be realized in the form of speed and accuracy in providing responses in the form of business activities, realized through planning, implementation and control of the production process and the results so that they are of high quality (Farchan, 2018).

Halisa (2020) says that HR management is the development of human resources whose function is to plan, implement recruitment, train, develop the careers of employees or employees and carry out initiatives for organizational development of an organization or company. The research results of Harjanti (2004) argue that HR management is called Human Resources which is responsible for taking care of various company needs related to HR Management so that all activities or work run smoothly and more efficiently.

In the journal Indraningsih (2006) revealed that HR management is personnel development (MP) covering broader aspects of employee relations with the organization where they work. However, Kasmawati (2018) said that HRM developed a concept in which the relationship was oriented towards a more humane business management paradigm. The theory developed is based on the paradigm of Human Resources as a key element as an asset and strategic partner for the organization. The concept of HRM is in line with the change in the managerial paradigm which places the concept of competitive advantage as one way for organizations to achieve success.

Meanwhile, George R. Terry said that Management is the achievement of predetermined (organizational) goals using the help of others. This definition explicitly states an HR element that mentions "help from others" because this definition is closely related to new views in HR management. This closeness is implied to achieve organizational goals, there are a number of people (HR) who play a role and must be played.

In principle human resource management includes several activities that significantly affect the entire work area of the company which consists of planning, hiring and terminating employees, remuneration of benefits, performance appraisal, awards and career development, training, development of occupational health safety, leadership and productivity. The importance of the HR field in the life cycle of an institution or company, along with the development of technology where many jobs cannot be replaced by computers, because of their human-oriented nature (Murtadlo, 2018).

Then there are HR Management challenges, both external/environmental challenges are external forces that affect company activities/organizations that can affect HR management but can still be controlled (overcome) by management. Internal / organizational challenges are the tasks of managers in increasing control to prevent any problems from being resolved properly, proactively taking steps to resolve (Pakaya, 2011). The key to competitive advantage for organizations basically relies on optimal use of human resources and maintenance of cooperation between services (employers) and people employed (employees) in an effort to achieve organizational goals. There are arguments put forward, HR as one of the factors of excellence cannot be separated from the combination of the quality of HRM practices in the

organization and the potential capabilities of people in the organization with quality management systems and other sources (including finance) within the company as a whole.

The results of research by Pratama et al., (2022) state that the management concept that places the success of people-centered organizations (people-centered management) is based on the principle of how people in the organization are treated, especially in terms of expertise, competence and other aspects. In team building, leadership, commitments made on behalf of the organization become the backbone of the organization to achieve success. But of course it is not easy to make HR a source of competitive advantage for an organization because it is related not only to abilities and skills but also to personal factors such as espoused values, perceptions, attitudes and personality, and the individual's will to progress. HR is said to have a competitive advantage if HR has unique skills and has a personality that matches the personality of the company where they work.

The concept of HRM as a strategic asset has implications both for the characteristics and systems that exist within the organization. HRM strategic assets are capabilities that are difficult to imitate, rare, effective, and that specifically provide competitive advantages for employees. Unlike capital investment, economic scale or patent rights, a well-developed HRM system can become an invisible asset and is able to create value when implemented in an organization's operational system so that it can enhance the company's current capabilities (Setiawan, 2017).

Sources of competitive advantage through HRM practices can be defended for two reasons. First, managing human resources effectively is often not as transparent as its sources, meaning that the culture and practices that enable a company to achieve success are invisible when compared to looking at a computerized information system. Second, the way human resources are managed synergistically in accordance with the system is not easily imitated by other organizations. Thus HR practices and systems can play an important role for the success of the company. So, based on the description and explanation of the background that has been submitted, the researcher is interested in further examining how the role of competitive advantage is transformed through human resources.

## **B. METHOD**

Researchers used descriptive analysis as a research method, using a qualitative approach. Meanwhile, according to Gunawan, I (2002) qualitative research is research that does not start from a previously prepared theory, but starts from the field based on the natural environment. Qualitative research is based on the philosophy of the post-positivism method with natural object conditions, by placing the researcher as a small tool or instrument. The qualitative strategy was chosen with the understanding that this research is intended to collect actual data and to explore research problems in order to obtain the expected results. So qualitative research or also called natural research or natural research is a type of research that emphasizes processes and meanings that are not tested, or measured precisely with data in the form of descriptive data.

## C. RESULTS AND DISCUSSION

### Human Resources Career Training and Development

The important thing in a company is socializing its employees into the corporate culture so that they become productive and effective employees, as soon as they become members of the company's social system. The main way to do this is through training and development programs (Sulistyawati & Indrayani, 2012). Because placing employees in a job directly does not guarantee they will be successful. However, Sunarsih (2017) argues that, new employees often feel uncertain about their roles and responsibilities, because job demands and employee capabilities must be balanced through orientation and training programs.

Once employees have been trained and have mastered the job, they need further development to prepare for their future responsibilities. There is an ongoing trend, namely the more diverse employees with flatter organizations, and increasing global competition, training and development efforts can cause employees to develop greater duties and responsibilities.

Through training employees are assisted to do existing jobs, so that it can help employees to pursue a career. Development can help employees to be able to cope with future responsibilities. Training is more oriented to current conditions, while development is more oriented to future perspectives. What is clear is that if a company wants to have high competitiveness in the future, then one of the strategic efforts that needs to be done is to create a continuous learning process at all levels of employees through training and development packages (Suprihatmi, 2008).

Human resources are the main factor in an organization that is built based on the interests of needs and implementation. Where according to Tampubolon (2016) human resource management is the science and art of managing relationships and the role of the workforce so that it effectively and efficiently helps achieve organizational, employee and community goals by carrying out human resource management functions such as planning, organizing, procuring, developing, compensation, integration, maintenance, discipline, and termination.

The importance of human resource strategy for organizations includes involving all parties in the organization, concentrating on organizational continuity with the goal and creating added value, organizational strategy covering the entire scope and depth of the organization, directing change and covering the organization and its environment, developing a center for sustainable competitive advantage, the development of a very crucial strategy to spur success.

Training and development are two dimensions of HR optimization efforts that have different goal orientations. The training is more focused on improving the capabilities and expertise of the organization's HR related to the positions and functions that are currently the responsibility of the individual concerned. The goal to be achieved from a training program is to increase individual performance in their current position or function (Tarigan, 2012).

Development tends to be more formal in nature, involving anticipation of individual skills that must be prepared for future office interests. The target of the development program concerns a

broader aspect, namely increasing individual ability to anticipate changes that may occur without planned (unplanned change) or planned change (planned change).

Development is more focused on succession or career planning and anticipation of changes that may be faced by the organization in the future. Employees who are prepared to occupy various higher levels of positions in the future are expected to be able to pass levels of educational positions and levels of positions below them which indicate a certain level of experience, expertise, knowledge that employees must possess. The long-term process is in line with the implementation of the organization's strategy.

Basically a career consists of all the jobs held by a person during his working life. For some people, these jobs are part of a plan that is prepared in a directed manner. In fact, planning a career often does not guarantee success. Career decisions should be based on objective measures. Superior performance, experience, education, and plus luck play an important role in achieving a better career. Successful employees generally identify career goals, plan and carry out various activities for them. The position of human resource management in competitive advantage considering the company is seen as a total system. In it there is a subsystem for supplying factors of production, production and marketing subsystems.

Each subsystem requires human resource management capable of establishing communicative, coordinative and complementary application models. In it the elements of skills and work experience will play an important role. The form of management commitment in the human resource management program has a significant effect on the dimensions of product diversity, product service, delivery and innovation of new products. The human resource management program is directed at job stability and profit sharing which encourages low labor turnover. Employee performance improvement programs are the main contributors to creating competitive advantage in the cost dimension. Optimization of human resource management contains indications that companies are more able to compete through the process of recruitment, selection, training and development.

Human resource management can determine employee skills and motivation and cost efficiency, while some of the main principles that need to be applied to achieve optimal human resource management include, (1) Systematic selection of prospective employees (2) Company commitment to low labor turnover (3) Open information in terms of company policies, financial and market conditions (4) Employee empowerment is more open and finally (5) Implementation of a participatory management and monitoring model of individuals and groups.

Human resources are a unique production element compared to other production elements. It is called unique because humans have active personality elements, have emotions, and are responsive and critical of every phenomenon they encounter. Thus utilizing humans as an element of production cannot be approached with a mechanistic approach. Humans cannot be seen as creatures that surrender and will willingly accept whatever action is imposed on them. Companies that face the phenomenon of high levels of employee turnover in a relatively short time reflect unhealthy working relationships.

Likewise, the tendency for a decrease in employee work productivity can be caused by a work climate (motivation, wages, and leadership) that is less conducive. Under these conditions, every company that will manage production means that it also has to manage human resources as optimally as possible. Optimization of human resource management can be seen from two functions, namely managerial functions and operational functions. Managerial functions consist of (1) Planning, this planning function involves planning human resource requirements (number, expertise, experience) based on expansion plans and the application of new technology. Here job analysis plays an important role in human resource planning. (2) Organizing, used to answer the needs of human resources related to work structures and management structures and work mechanisms.

Furthermore, managerial functions consist of (3) implementation functions, which include the company's efforts to utilize, mobilize and improve employee performance as optimally as possible. This includes maintaining and developing employee motivation to continuously improve work quality and productivity. And the last function includes control and supervision, this process emphasizes the company's efforts so that communication and coordination can be as optimal as possible. The relationship between superiors and subordinates is based on a social relations approach so that employee performance has high competitiveness (Wahyuningsih, 2018).

In essence, organizations always face environmental changes that are often unexpected. For this reason, human resources in an organization must be able to adopt changes and be involved in managing both changes in vision, strategy, to carry out HRM practices appropriately. Changes in Vision contain the consequences of changes in business strategy at the corporate level and the HR strategy that is being implemented so that it creates new demands on the quality of human resources. While changes in strategy, the corporate level is influenced by business needs and the level of competition that occurs within the company. The tighter the competition, the higher the demand for quality human resources. In competition, it can lead to employee piracy by competing companies or the transfer of your employees to competing companies without being able to be prevented. So that labor turnover is high.

### **Managing Human Resources to Increase Competitiveness**

Today's organizations recognize that success and competitiveness depend to a large extent on operational and strategic levels of efficiency and effectiveness. The level of operational efficiency and effectiveness includes, restructuring operations, reducing operating costs, improving the quality of goods and services, continuous innovation and new product development. In line with changes in the global business environment and increasingly fierce competition, the world of work and organizations are also experiencing changes. Business issues related to HR continue to grow and spread to all existing organizations.

Any effort needed to create a successful organization depends on significant changes in HRM. The various efforts made by the organization are (1) Streamlining the organization which includes pensions, severance pay, succession management and better HR planning programs

to reduce further downsizing (2) Decentralization involves efforts to train workers in decision making, performance appraisal, compensation changes, and new leadership skills.

However, in a flat and lean organization, job rotation and mobility is quite difficult because fewer managers have high mobility. Increasing time pressures and demands on the performance of business units and individual performance can cause business units to decline due to the difficulty of releasing talented managers to work in locations spread across the world. Therefore we need a way to manage HR in a flatter and leaner organization (Widajanti, 2007). The occurrence of mergers and acquisitions of companies led to a reduction (reduction) of the workforce and relationships with communities that have (previously hidden) facilities. Mergers and acquisitions have important implications for HRM. Mergers and acquisitions need to realign reporting relationships and the integration of various organizations that were originally independent (not interdependent). HR managers and line managers must be able to work together in supporting organizational programs and strategies to create an effective organization.

### **Managing Human Resources to Face Globalization**

Globalization will continue to be a phenomenon that cannot be avoided. The company will operate in a turbulent and chaotic business environment. International and domestic pressure on the organization continues and is intensifying. With advances in information technology, communication technology and world financial markets will merge and the nation state will come to an end. Organizations must have high creativity, continuously innovate, increase flexibility, respond and adapt quickly to developments around the world. In this condition, organizations that can adapt are those that are more decentralized in nature (responsibility is closer to the operating level).

Decentralized organizations have participatory leadership and have good cooperation with suppliers, consumers, employees, shareholders and the community (stakeholders). In addition, companies must create new products to meet customer needs and satisfaction by seeking and maintaining excellence. Organizations must develop a global perspective. Speed and agility will become absolute requirements for modern organizations. HR policies need to reflect the required organizational characteristics. Organizations need international managers who not only have technical skills but also have the ability to adapt to the environment and culture they face. Often managers fail because they cannot adapt to the customs and culture of the foreign country in which the organization operates.

Managers should know the mental attitude and behavior of new subordinates and how to treat strangers. According to Jeffry Stall, director of corporate personnel relations at Merck, to go international requires the company's competitiveness in the field of HR competence both domestically and internationally. The global structure requires human resources who can operate internationally. By becoming a member of the management team and dealing with business issues related to HR, individual managers are required to master several roles, including (1) As a business person (2) As a change maker (3) As a consultant for organizations

or organizational partners (4) As formulating and implementing strategy (5) As a talent, interest, and leadership manager (6) Asset manager and cost control.

### **Managing Human Resource as a Key Element**

The key to competitive advantage for organizations basically rests on the optimal use of human resources and maintenance of cooperation between the service (employer) and the people employed (employees) in an effort to achieve organizational goals. Whatever the arguments put forward, HR as a factor of excellence cannot be separated from the combination between the quality of HRM practices in the organization and the potential capabilities of people in the organization with quality management systems and other sources (including finance) within the company as a whole.

A competitive business is a business that is oriented to market needs. The success of a company in a business oriented to market interests (market driven) is determined by how the company delivers products and value to customers. What products and value the company offers emerge from the conception of the product and value that customers want and how management manages the people in the company to produce those products and value. Current market trends show that consumers not only need products but also value, namely the benefits behind the product purchased. The value offered to the market is the company's mission.

In a value-based growth management system, the value behind the product is the link between the company's vision and mission. How the vision and mission are implemented is determined by the ability and commitment of management and all employees towards the vision and mission of the company. There is a need for people-centred management. The management concept that places the success of an organization centered on people (people centered management) is based on the principle of how people in the organization are treated, especially in matters relating to expertise, competence and other aspects in team building, leadership, commitments made on behalf of the organization become the backbone of the organization's success.

Human resource management is an activity related to planning, decision making, implementation and control of human resources which includes strategies, tips and actions as well as the implementation of these decisions that directly affect or affect the human resources working within the company. These management decisions constitute the implementation of the human resource function, human resources are the human resources of an organization consisting of all efforts, skills or abilities of everyone working for the organization. In principle human resource management includes several activities that significantly affect the entire work area of the company which consists of planning, hiring and terminating employees, remuneration of benefits, performance appraisal, awards and career development, training, development of occupational health safety, leadership and productivity. The importance of the field of HR in the life cycle of an institution or company, along with the development of technology where many jobs cannot be replaced by computers, because of their human-oriented nature.

## D. CONCLUSION

HR Management is the development of human resources which has the functions of planning, implementing, recruiting, and training, career development of employees or employees as well as carrying out initiatives for organizational development. With the development of HRM, all related activities or work run smoothly and efficiently. The concept of HRM is in line with the change in the managerial paradigm which places competitive advantage as one way for organizations to achieve success. In principle, HR management includes several activities that significantly affect the entire work area of the company. The importance of the field of HR in the life cycle of an institution or company, as technology develops, many jobs cannot be replaced by computers because of their human-oriented nature. HR Management Challenges, external/environmental challenges are external forces that affect the activities of the company's organization that can affect HR management but can be controlled (overcome) by management. Internal challenges demand the active role of managers so that problems can be resolved properly. The challenge of restructuring is to adjust the company's organizational structure in dealing with the environment. The importance of training is more focused on improving HR capabilities, the target to be achieved by the training program is to improve HR capabilities. Development is formal in nature, the target of the development program is to increase individual ability to anticipate without being planned. Career characteristics are linear, the goal of employees is to achieve a career based on their real abilities.

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