Realizing Sustainable Organizational Competitive Advantage by encouraging Sustainable Human Resource Development

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Abstract

The competition is so tight that the company must have a competitive advantage. One of the biggest drivers of a strategic edge is the human capital it provides. In the past, human resources is merely a service operation as a competitive advantage for an organization. Yet, human capital is now one of the most critical aspects of building a competitive advantage. This paper discusses how human resource development strategies have a sustainable competitive advantage and how to transfer good strategies, policies, or superior knowledge to subordinates. This research employs a qualitative approach to the discussion of the data produced by the method of explanation. The findings indicate that high-performance human capital can respond to the times are needed to achieve a sustainable competitive edge. For this reason, sustainable human resource development is required by taking into account several things, namely: integration of HR activities with the company's mission and objectives, environmental observation; management support for HR; formulating and implementing HR policies and plans; alignment of HR with its activities; expanding the role of human resources by holding specialist training according to their talents following the ideals of the company and evaluation of the individual's own contribution.

Keywords: Strategy, Human Resources, Sustainable Competitive Advantage.

A. INTRODUCTION

The business world is experiencing challenges that are very difficult to face, the business world is facing high uncertainty and is experiencing very rapid changes and is increasingly global (Lee, 2002; Teece & Leih, 2016), customers are in control (Tjahjaningsih, 2016), tastes are fast-changing (Kuncoro, 2000), and increasingly fierce competition makes companies make various strategies and implementations (Chrismardani, 2014) to be able to create a competitive advantage compared to its competitors. The right strategy and implementation will affect the achievement of the goals or objectives that have been set. The company will strive to achieve a competitive advantage. Competitive advantage is everything that a company does very well compared to its competitors (Adiputra & Mandala, 2017). Strategic advantage is

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important to a company's long-term performance. Hall (1993) clarified that it is not enough to have a competitive edge; businesses must aim to obtain a sustainable competitive advantage.

Human Resources (HR) is one of the support components of the enterprise. HR can be defined as individuals employed within an enterprise (called staff, labor, workers/employees); or human capacity as an internal drive to realize its existence; or ability that is an asset and acts as a non-material resource in a business organization that can be turned into a real potential for the existence of an entity (Hanggrae, 2012). Human resources need to be well managed in a special place, usually in a human resources department. Dessler (1997) describes human resource management as policies and procedures that an individual needs to follow human or human resource facets of a management role, including recruitment, evaluation, training, promotion, and evaluation.

Human resource management must implement various strategies to maximize the potential of its resources to build a strategic edge for the organization (Sandi et al., 2019). However, it has to be understood that handling HR in the age of globalization is not an easy thing to do. Various forms of superstructure and structures must also be equipped to generate quality human capital (Nasution, 2016). Companies seeking to survive and have a good picture in the eyes of the public would not neglect ways of developing their human capital efficiency. Therefore, the role of human resource management in the enterprise is not small, nor is it a central manager or HR provider for other divisions (Lepak & Snell, 1998).

Campbell et al. (2012) said that many business leaders strongly agree to place company employees (human capital) as a key driver of competitive advantage. In line with this statement, Namasivayam & Denizci (2006) states that human capital is seen as an important element in a company as a framework for developing the concept of sustainable organizational development. Companies must be more focused on finding, developing, and managing human resources (Riniwati, 2016). In his research, Ashton (2018) found that using human resources will greatly affect job satisfaction. Good management and the use of resources correlate with an increase in company performance. When a company can manage human resources properly and appropriately, job satisfaction will increase, and in the end, both human performance and company performance, in general, will also increase. This performance improvement will affect the achievement of company goals or objectives.

This study aims to find a formula for human resource strategies in achieving sustainable competitive advantage and provide alternatives in developing employee performance to achieve organizational goals through the development of strategic
resources. It is hoped that this research will enrich the literature on employee performance and sustainable company competitive advantage and become a reference for organizations to improve company performance.

B. METHOD

This research is focused on qualitative research. According to Moleong, a qualitative approach is used as a testing technique that generates descriptive evidence in people's written or spoken words and measurable actions (Moloeng, 2007). Thus, the method of analysis used by the author is qualitatively descriptive.

The research methodology is analytical since the author's research would later explain the problem solving being studied by explaining or describing the research object's actual state, based on observable evidence or as they are (Soendari, 2012). In compliance with this report's title, the purpose of which is to define the urgency of improving human resources as the key capital for gaining a competitive edge for organizations.

C. RESULT AND DISCUSSION

It must be realized that the maximum use of human resources will provide optimal benefits for the company. Companies must start to focus on human resources. There are a variety of significant problems relating to the importance of human capital. First of all, human capital is not easy to emulate. The rivals will mimic the tactics, methods, or technologies that we have in place. However, there is one thing that is impossible for our competitors to imitate, namely human resources (Campbel et al., 2012).

Companies will need more high competency quality human resources. The human resources needed must have a good supporting profile in terms of thinking skills and analyzing problems. The ability to obtain and use information, have initiative, make decisions, plan, the ability to communicate in collaboration with other people and groups, and evaluate other performance (Setiawan, 2017).

The importance of the role of HR in the company in responding to developments in the business environment that occurs causes the company to pay attention to the importance of HR management programs to reduce the quality of HR so that the company can win the competition in its business environment. Improving human capital efficiency is done if human resources have a high degree of expertise, skills, and capabilities. For this reason, training, education, and HR development programs need to be implemented in companies (Setiawan, 2017).

The introduction of a new model in the growth of HR where there has been a paradigm shift and the personnel division to become the HR development division (human resource development / HRD division) is evidence that HR issues have received special attention.
attention from the company management. The personnel division is oriented towards control and supervision, has a planning and top-down model, implements a one-way communication system, and prioritizes centralized structure and line management involvement. In contrast, the HRD division is more oriented towards HR development, creativity, flexibility, and proactive management. It focuses on decentralization, prioritizes cooperation, implements a two-way communication system, pays primary attention to HR issues, and implements bottom-up planning. This indicates that the business has recognized the essential role of quality human capital and components (competency-based HR) in the search for a competitive edge (Mujiati, 2013).

God created each individual as a unique being, where each individual is created differently from one another. Each individual is given different competencies, talents, and learning methods. Maybe competitors can imitate the way of thinking, ideas, or ideas that our company has, but surely the successful implementation of that idea or strategy will not be the same. Everything depends on the humans who implement it. One of the best ways to imitate our ideas is to "hijack" or take away our extraordinary potential employees. Therefore, each individual in the company must be able to create different values to help the company increase its competitive advantage. Companies must focus on improving their human resources and management to be unique, have added value, and are not easy to imitate (Eddleston et al., 2008).

Second, human resources are the main brain for the running of an organization. The main brain for the running of an organization is human and not a machine or anything else. Humans make strategies and ways to implement these strategies. Machines or other resources are only supporting company activities (Miles & Snow, 1984).

There is increasing awareness that chosen HRD activities can have a significant effect on individual and organizational performance. These results are focused on the premise that individuals will play an important role in an organization’s progress (Garavan, 2007).

The HRD division’s task plays a strategic role in deciding the organization’s success by enhancing its human capital efficiency, both through developing creativity, flexibility, and proactive management. It is no longer oriented towards control and supervision as applied in the personnel division. Schuller (2000) mentions four functions of the HRD division: (1) Managing HR to create HR capabilities or competencies. The advancement of information management and communication technology allows businesses to have the required HR, namely HR with managerial talent with high knowledge, skills, and abilities. To master technological developments. For this reason, human resource management is needed to achieve the main target of increasing and creating good quality human resources in terms of managerial capabilities and mastery of technology.
(2) Managing diversity to gain competitive advantage The phenomenon of diversity in a company needs to receive important attention in the strategic planning process. The main task of the HRD division is to manage the diversity of existing human resources so as not to cause a conviction to create more creativity and innovation so that the company can win the competition in its business environment. (3) Managing human resources to improve competitiveness. To improve competitiveness, companies must strive to improve HR performance by increasing expertise and skills to prepare HR for promotion and solving problems faced by the company. This performance improvement can be made through the process of education, training, and human resource development. The company's success in increasing competitiveness depends on the effectiveness and efficiency of operations and the company's business strategy. 4) Managing human resources to face globalization Michael Porter argues, five competitive forces are operating in an industry, all of which determine the industry's potential profit. The five forces include competition between existing companies, barriers to new entrants, buyers 'bargaining power, suppliers' bargaining power, and threats and substitute/substitute goods and services. Operating companies must pay attention to their business environment, development, and competitive forces that play a role in the business environment.

The human capital theory recognizes that investment in schooling, skills, and expertise will offer meaningful incomes and advantages to individuals. The HR growth plan can be seen as an investment in human resources, and the decision to partake in training programs and skills is seen as a reasonable choice on the part of the employee.

Human resource development theory typically has a basic heart, namely: engaging in both formal and informal training and education that improves one's efficiency, competitiveness, and profits. This theory also provides an important distinction between two forms of expenditure in training; general and particular. Company-specific instruction is not transferable and has little meaning outside of the organization. In the meantime, general schooling has significance in the job market and has value for career development. The human capital outlook is focused on the fact that humans are one of the commodities open to businesses. The root that humans can use as capital corresponds to Prahalad and Hamel (1990) work, who studied the competition of corporations associated with corporate ownership.

They postulate that a company can have unique factors that allow it to be competitive and human capital. It is a resource-based view that is the current paradigm for corporate competitiveness and a collection of competencies that draws attention to learning issues, human resource investment, accumulated knowledge, and experience.
Hamel & Prahalad (1990) define core competencies as a package of skills and technologies rather than a particular competence or technology. This attitude demonstrates that the production of HR has significance in improving core competencies, some of which are focused on human skills.

These qualities need to be built over time to offer the business the potential that other businesses would find it impossible to imitate. They will be rented to other businesses to be of strategic benefit.

The resource-dependent viewpoint is based on the premise that the disparities in structure between companies result in a fundamental heterogeneity of their ability to contribute to firm results. The company’s long-term success can also be determined by whether its sustainable human capital is difficult to imitate and enable the company to distinguish itself from other rivals.

Human resources have the opportunity for strategic and sustainable advantage through human resource growth to build the basic competencies of the organization itself and create awareness of the strategies required to succeed in today’s highly "vicious" competitive economy.

Tactics and industry-specific expertise have been found to have the greatest importance in a business. The resource-based strategy underlines the need for businesses to adopt unique human resource-based policies to gain competitive superiority by increasing their competency and dedication to human capital. Research has shown that the production of HR is a value that must be preserved in an organization.

This development of HR includes career preparation, leadership development, professional skills development, techniques to build awareness of organization techniques, and social networking strategies.

Good practices for growth suggest that universal HRD practices, particularly concerning business performance, should be improved as best as possible. HR development can help to shape behavior patterns that help the company achieve its goals. Different company goals require different types of HRD behaviors and practices. Factors that become important in this context include the organization's scale, technology, ownership, sector and location, and contingency variables.

This implies that sustainable strategies would dictate the market for professional labor. In essence, the supply of skilled human capital will affect strategic plans. When businesses have strong growth standards coupled with high talent levels and willingness to succeed, this will fuel the company’s expansion and growth. However, if the business lacks expertise and competencies, this will lead to a shift in policy.
There are several keys to the growth of human resources to achieve the goals of the organization, including the convergence of HR activities with the purpose and objectives of the company, environmental observation; strategic support for HR; design and execution of HR policies and plans; coordination of HR with its activities; extension of the role of human resources through the procurement of professional training in conjunction with their objectives.

Human resource development has emerged as a significant strategic issue in a company. One of the reasons for this is the increasing recognition that individuals in a company are an important source of sustainable competitive advantage.

Skills and competencies allow companies to be more flexible and to reconfigure to respond to strategic challenges. And consistent with the ideas proposed based on human resource-based theory to maximize business performance. Ultimately in any business, the quality of the human resources is what produces the results.

Developing a talented workforce is the most important priority in answering business challenges in the future. This challenge can be answered by focusing on developing existing employees and developing new employees to contribute quickly in terms of performance.

D. CONCLUSION

To win the fierce competition in an era like today, every organization or company must have a competitive advantage that makes the organization survive and develop. However, often each company cannot last long in maintaining the competitive advantage that the company has because slowly but surely, these advantages will be imitated and developed for the better by other companies. Therefore every organization must be able to adapt and always follow the developing trends.

Therefore, organizations or companies need high competency quality human resources. The human resources needed must have a good supporting profile in terms of thinking skills and analyzing problems. The ability to obtain and use information, have initiative, make decisions, plan, the ability to communicate in collaboration with other people and groups, and the ability to evaluate performance so that it can provide additional value for each organization.

Several keys must be considered by every company so that HR development can run according to what is expected, namely: integration of HR activities with the company’s mission and objectives, environmental observation; management support for HR; formulating and implementing HR policies and plans; alignment of HR with its activities; expanding the role of human resources by holding specialist training.
according to their talents following the ideals of the company and evaluation of the individual's own contribution.

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