



Analysis of Human Resource Management in Improving Employee Performance in the Workplace

Feriandy

Universitas Mitra Bangsa

Corresponding Author: Feriandy: Feriandy.ferii@gmail.com

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ABSTRACT

This study aims to analyze the role of human resource management (HRM) in improving employee performance in the workplace. In an era of increasingly tight business competition, effective HR management is the main key for organizations to achieve competitive advantage through increasing employee productivity and work quality. The study uses a qualitative approach with a literature method. review , which examines various theories, concepts, and previous research results related to HR practices, employee development, organizational culture, leadership, and reward systems that affect performance. The results of the analysis indicate that strategic HR management, including proper planning, ongoing training, performance evaluation, and a supportive organizational culture, inspiring leadership, and a fair reward system, significantly increase employee motivation, loyalty, and productivity. This study provides theoretical and practical contributions for organizations in designing holistic HR policies to improve performance sustainably.

INTRODUCTION

Humans are the most important asset in an organization. In the midst of increasingly rapid technological advances and globalization, the role of humans as the main driver of organizational activities cannot be completely replaced by machines or automatic systems. Therefore, human resource management (HR) is the main foundation in achieving organizational goals. The success of an agency, both in the government and private sectors, depends heavily on the extent to which management is able to optimally manage, develop, and empower its human resources (Hoar et al., 2021) .

Human resource management is a strategic, planned approach to managing individuals in an organization effectively and efficiently. The main goal is to ensure that the organization is able to achieve its goals through the management of the people who are part of it. Not only limited to administrative activities such as recruitment, selection, or payroll, HR management includes broader processes such as training and development, performance management, career planning, to the formation of a healthy work culture. HR management also emphasizes the importance of building harmonious industrial relations , paying attention to employee welfare, and creating a work climate that supports professional and personal growth. Therefore, the role of HR management is very vital in shaping the quality and competitiveness of human resources in the organization (Difa & Furyanah, 2022) .

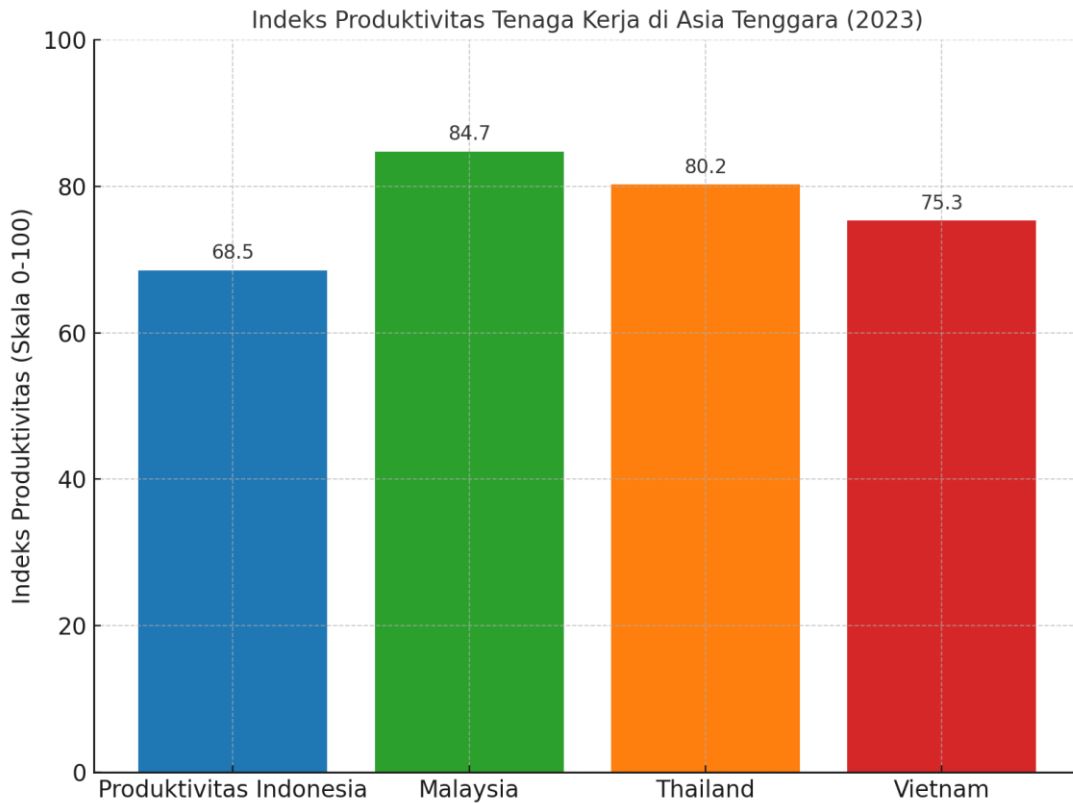
Meanwhile, employee performance refers to the work results achieved by an individual in carrying out the tasks that are his/her responsibility, both in terms of quantity, quality, timeliness, and compliance with the standards set by the organization. Performance is not only influenced by the individual's abilities or skills, but also by various factors such as motivation, work environment, leadership, and the reward system implemented. Employees who have high performance usually show dedication, discipline, and consistent work enthusiasm towards achieving organizational goals (Budianto et al., 2020) . Therefore, good HR management must be directed at improving employee performance as a whole, because the success of the organization is largely determined by the real contribution of each individual involved in it.

Employee performance is one of the important indicators in assessing the effectiveness of HR management. High performance reflects the real contribution of employees to achieving the organization's targets and vision. However, improving performance is not something that happens automatically. Many factors influence it, such as leadership, motivation, reward systems, training, work culture, and relationships between individuals in the workplace. Therefore, an appropriate managerial strategy is needed to ensure that each employee can work optimally according to their role (Saimin, Noor Salim, Enny Ariyanto, 2023)

Data from various labor survey institutions show that many organizations in Indonesia still face challenges in increasing employee work productivity.

A report from the Central Statistics Agency (BPS) in 2023 revealed that Indonesia's labor productivity index still lags behind other Southeast Asian countries such as Malaysia and Thailand. This is a serious concern, especially in the context of global labor market competition that demands high effectiveness and efficiency from every worker.

Figure 1. Labor Productivity Index in Southeast Asia in 2023



Source: *National Statistics Agency, 2023*

The figure above shows a comparison of labor productivity indices in four Southeast Asian countries, namely Indonesia, Malaysia, Thailand, and Vietnam in 2023. Based on the graph, Malaysia is in the highest position with an index of 84.7, followed by Thailand with 80.2, and Vietnam with 75.3. Meanwhile, Indonesia has the lowest index, namely 68.5, which shows that labor productivity in Indonesia is still below neighboring countries. The difference in this index reflects the gap in the effectiveness of human resource management, the quality of the workforce, and the work systems implemented in each country. This fact can be an important indicator that HR management in Indonesia needs to be improved, both in terms of training, work motivation, work environment, and performance appraisal systems, so that the competitiveness of Indonesian employees increases and is able to compete in the global market. This figure supports the urgency of the need for further research on the role of human resource management in improving employee performance in the workplace (Parinsi & Musa, 2023) .

The phenomenon that occurs in many workplaces today shows an imbalance between the potential of human resources owned by the organization and the actual performance achieved. Many employees have high competence, but do not show maximum performance due to lack of support from management, minimal ongoing training, or the absence of an adequate reward system. On the other hand, several organizations have begun to realize the importance of performance-based HR management as the key to surviving and growing in this era of disruption.

The main problem that arises is the suboptimal role of HR management in driving employee performance as a whole. Many HR policies are not yet integrated with the strategic goals of the organization, resulting in disorientation in the implementation of employee development programs. In addition, in some cases, the management approach is still reactive and administrative, not strategic and proactive. As a result, work motivation decreases, turnover increases, and work productivity becomes stagnant.

There is a research gap between the theories of ideal HR management that have been widely developed by experts and real practices in the field, especially in Indonesia. Many previous studies only highlight one or two aspects of HR management, such as training or work motivation, without examining the relationship between HR management elements holistically to improving performance. In addition, there are still limited empirical studies that describe how HR management is applied strategically in the context of local organizations or certain sectors.

Previous studies such as those conducted by (Amwa & Sugianto, 2023) emphasized the importance of training in improving employee performance. However, the study has not integrated other aspects such as leadership, performance appraisal systems, and organizational culture. Likewise, the study by (Widiastuti, 2020) which examined the influence of work motivation, but did not describe the role of management policies in creating a supportive work environment. This indicates the need for a more comprehensive and contextual research approach.

The implications of suboptimal HR management are decreased organizational competitiveness, increased operational costs due to high turnover, and decreased employee enthusiasm and loyalty. If not handled seriously, this can disrupt the sustainability of the organization in the long term (Zaky, 2021). Therefore, a deep understanding of how HR management can play a strategic role in improving performance is very important, not only for academics but also for practitioners.

This study aims to analyze in depth the role of human resource management in improving employee performance in the workplace. This study will explore important elements in HR management such as recruitment, training, motivation, appraisal systems, and rewards system, and its direct and indirect relationship to employee performance. With this approach, it is hoped

that research can provide real contributions to the development of HR management theory and practice.

Considering the importance of employee performance as the key to organizational success, as well as the strategic role of HR management in realizing it, the researcher feels the need to conduct a more in-depth study. This study is expected to fill the gaps in existing studies and provide new understanding of effective HR management strategies in the context of today's work world.

Therefore, the researcher is interested in conducting a study entitled "*Analysis of Human Resource Management in Improving Employee Performance in the Workplace*". Through this study, the researcher hopes to provide scientific contributions as well as practical solutions that are applicable in human resource management that focuses on improving performance sustainably.

RESEARCH METHODS

This research uses a qualitative approach with literature methods. review (literature review), which aims to examine in depth the theories, concepts, and results of previous research related to human resource management (HR) and employee performance. This approach was chosen because it allows researchers to explore and understand the relationship between HR practices and performance improvement conceptually, without collecting field data directly (Sugiyono, 2021) .

The data sources in this study were obtained through document studies in the form of national and international scientific journals, academic books, research reports, seminar proceedings , and other trusted scientific publications. The inclusion criteria in the selection of literature are documents that discuss topics related to HR management, employee development strategies, performance evaluation, and supporting variables such as motivation, training, and compensation. The selected documents come from the last 10 years to be relevant to the dynamics and challenges of today's organizations.

Content analysis. analysis) systematically, namely by identifying the main themes from various literatures, grouping related concepts, and comparing findings from various sources. Researchers also use thematic synthesis techniques to find patterns, similarities, and differences in the results of previous studies. With this approach, researchers can draw conceptual conclusions regarding the contribution of HR management to improving employee performance holistically (Sewang., Umar, SM, 2024) .

Through literature method This qualitative review , the study is expected to provide theoretical contributions that enrich academic studies related to HR and employee performance. In addition, the results of this study can be a basis for further researchers who want to conduct field or quantitative studies.

This study also provides practical implications for organizational managers in designing more targeted, measurable, and sustainable HR management strategies.

RESULTS AND DISCUSSION

Human resource management (HRM) is a strategic aspect that plays an important role in improving employee performance in various types of organizations. From the various literatures reviewed, it is seen that effective HRM practices such as HR planning, appropriate recruitment and selection, training and development, and a structured performance evaluation system can significantly affect employee productivity and work motivation. In addition, fair compensation and reward management has also been shown to increase employee loyalty and commitment to the organization. Thus, HRM is not only an administrative function, but also a strategic tool to create quality and highly competitive human resources.

Through the study conducted, it shows that the relationship between HR management and employee performance is not only linear, but also influenced by contextual factors such as organizational culture, leadership, and internal communication. For example, relevant and ongoing training will be more optimal if supported by a conducive work environment and managers who support employee development. Therefore, the implementation of comprehensive HR must consider various supporting variables so that the goal of improving performance can be achieved optimally and sustainably. This study emphasizes the importance of integration between technical and humanistic aspects in HR management to produce superior organizational performance (Ervin & Fauzi, 2020) .

The Strategic Role of Human Resource Management in Organizations

Human resource management (HRM) plays a crucial strategic role in the success of an organization, not only as an administrative function, but also as a key driver that ensures the organization is able to adapt and thrive in the midst of increasingly fierce competition. Through effective HR management, organizations can optimize employee potential to create sustainable competitive advantage. This not only has an impact on increasing productivity, but also affects employee job satisfaction, motivation, and loyalty to the company. The author analyzes that the strategic role of HRM can be described into several important interrelated aspects, namely (Pahira & Rinaldy, 2023) :

Human Resource Planning

Proper planning helps organizations identify workforce needs in line with short-term and long-term goals. With careful planning, organizations can avoid employee shortages or excesses, while preparing cadres who are ready to face the challenges of changing business environments.

Employee Competency Development

HR plays a role in designing and implementing training and development programs that align employee skills with job demands and the latest technology. This ensures that employees have relevant capabilities and are able to contribute optimally to achieving organizational goals.

Proper Employee Placement

Placing employees according to their skills, interests, and potential is an important strategy in increasing work effectiveness. Proper placement will maximize individual performance and reduce the risk of turnover and job dissatisfaction.

Driving Innovation and Change

HR plays a role not only in maintaining operational stability, but also as an agent of change that facilitates innovation in the work environment. By creating an organizational culture that is adaptive and open to new ideas, HR helps organizations remain competitive and responsive to market dynamics.

With these roles, holistic human resource management becomes an important foundation in creating a work environment that is productive, innovative, and oriented towards the long-term success of the organization.

The Influence of Employee Development on Performance Improvement

Employee development is one of the crucial aspects of human resource management that directly contributes to improving individual and organizational performance. Through planned training programs and continuous learning, employees not only gain technical skills relevant to their tasks but also hone interpersonal skills that are highly needed in the modern work environment. Communication, teamwork, and problem-solving skills become more mature, so that employees are able to carry out their work efficiently and effectively. In addition, continuous employee development also encourages better adaptation to technological changes and new work procedures, so that organizations can remain competitive in the face of rapidly changing business dynamics.

In addition to training, a structured performance evaluation system plays an important role in the employee development process. Objective and transparent evaluations provide employees with a clear picture of their work achievements, as well as areas that need improvement. Constructive feedback from superiors is not only a tool for correction, but also a source of motivation for employees to improve their abilities and work quality. Through this process, employees can consciously identify untapped potential and develop concrete steps for self-development. Thus, performance evaluation is not only an assessment mechanism, but also an integral part of a human resource development strategy that is oriented towards continuous quality improvement. (Ningrum & Soehari, 2019) .

When organizations consistently support employee career development through effective training and evaluation, this will have a positive impact on their motivation and loyalty to the company. Employees feel appreciated and cared for, so they tend to show higher commitment in carrying out their duties and responsibilities. This high motivation encourages increased work productivity and creativity in solving work challenges. Furthermore, strong employee loyalty also helps reduce turnover rates that are detrimental to the organization in terms of both cost and time. Therefore, investment in human resource development is a long-term strategy that not only improves the quality of individuals but also strengthens the foundation of overall organizational performance.

Supporting Factors in Improving Employee Performance through HR

Supporting factors outside of the technical practices of human resource management play an equally important role in creating optimal employee performance. Organizational culture, leadership, and reward systems are not only complementary, but also fundamental elements that influence how employees interact, are motivated, and feel appreciated in the work environment. The author analyzes that the synergy between these three factors creates a conducive work atmosphere and fosters employee commitment to organizational goals. The positive influence of these three aspects is also able to strengthen HR practices as a whole so as to support continuous performance improvement. In detail, the influence can be described as follows (Khaeruman et al., 2023) :

Organizational Culture That Supports Open Communication and Collaboration

A culture that encourages openness and effective collaboration increases mutual trust among employees and between employees and management. This allows for quick and innovative problem solving, and creates a harmonious and productive work climate.

1. Inspirational Leadership and Providing Emotional Support

Leadership that is not only focused on supervision, but also provides motivation and emotional support, can strengthen the relationship between superiors and subordinates. Employees feel appreciated and have ownership, so they are fully responsible for their duties and more enthusiastic to contribute.

2. Fair and Transparent Reward and Compensation System

Fair and open rewards are a major source of motivation for employees. This system fosters a sense of fairness and encourages work enthusiasm, while reducing the potential for dissatisfaction that can reduce productivity.

3. Alignment of HR Policies with Employee Needs and Expectations

When HR management policies are designed with employee aspirations and needs in mind, it creates a strong sense of engagement. Employees feel the

policies are relevant and supportive of their self-development, so they are more motivated to perform optimally in the long term.

With these roles, these supporting factors not only strengthen the technical foundation of HR, but also create a positive and sustainable work environment, which ultimately improves employee performance significantly.

CONCLUSION

Human resource management plays a central role in driving improved employee performance in the workplace through strategic practices involving proper workforce planning, development, and placement. Effective HR management not only improves individual skills and competencies, but also builds motivation and loyalty that ultimately contribute to the overall productivity of the organization. In addition, the support of supporting factors such as a positive organizational culture, inspiring leadership, and a fair and transparent reward system, also strengthen the effectiveness of HR practices. The synergy between technical and non-technical aspects in HR management is the key to success in creating a conducive and sustainable work environment.

Thus, this analysis confirms that improving employee performance cannot be separated from integrated and holistic human resource management. Investment in employee development, the establishment of a supportive work culture, and the implementation of leadership that is able to motivate and appreciate employees, must be the main focus of the organization. This literature review-based research provides a strong theoretical basis for organizations and subsequent researchers to implement or further study effective HR practices. Ultimately, good HR management will produce a productive, innovative, and highly committed workforce, which is a major asset in achieving organizational goals sustainably.

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