

Employee Competency Development Strategy in the Digital Transformation Era: Approach from an HR Development Perspective

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ABSTRACT

Digital transformations are profoundly altering business paradigms, necessitating organizations to revise their HR strategies. Competency development among employees emerges as a pivotal factor in organizational success amidst rapid technological shifts. Employing a qualitative approach, this study aims to pinpoint effective strategies for employee competency development in the digital transformation era. Utilizing interviews, observations, and document analysis, the research aims to uncover best practices including continuous training, career development, mentoring, and the integration of digital transformation with employee growth. The implications for HR management are substantial, demanding adjustments in designing competency programs aligned with technological advancements. This study offers valuable insights for HR and management practitioners navigating challenges in the digital transformation era.

INTRODUCTION

In the age of globalization and rapid technological advancement, digital transformation has become a major highlight for many organizations across the world. Advances in information and communications technology have influenced all aspects of life, including the way we work and interact in a business context (Blanka et al., 2022). These changes have resulted in fundamental changes in organizational structures, business models, and competency requirements required by the workforce.

Developing employee competency is very important in facing the challenges and opportunities faced in this digital transformation. Organizations that are able to adapt their employee development strategies well will gain a significant competitive advantage in the face of continuous changes in the market. Therefore, understanding how organizations can design and implement effective employee competency development strategies in the context of digital transformation is very crucial (Castaño-Ortiz et al., 2024).

This research will adopt an approach from the Human Resources Development (HR) perspective to explore various strategies that can be used by organizations to increase employee competency in facing the era of digital transformation. This approach combines resource management principles human resources with the specific challenges faced by organizations in facing rapid digital change.

Technological developments such as artificial intelligence, data analytics, the Internet of Things (IoT), and cloud computing have changed the way organizations operate and interact with their customers and employees (Celma et al., 2021). These changes not only affect the way work is done, but also require employees to acquire new skills and knowledge in order to function efficiently in an increasingly digital work environment.

On the other hand, many organizations experience difficulties in developing the competencies of their employees to keep up with technological developments and changing market demands (Leal-Rodríguez et al., 2023). Competency development strategies that are not in line with organizational needs in the era of digital transformation can cause a gap between the skills possessed by employees and those needed by the organization.

The aim of this research is to explore various employee competency development strategies in the era of digital transformation, with an emphasis on the HR Development perspective (Mahdavi et al., 2023). Through this approach, this research aims to identify best practices that can help organizations improve the skills and knowledge of their employees according to the needs faced in an increasingly digital work environment.

It is hoped that the results of this research will provide valuable insight for HR practitioners and management in organizations in designing and implementing effective competency development strategies in facing the era of digital transformation. Apart from that, this research is also expected to contribute to academic literature in the field of human resource management, especially in the context of technological change and employee competency development (Nguyen et al., 2024).

LITERATURE REVIEW

Employee Competency Development

Employee competency development is the process of increasing employee abilities, knowledge and skills in accordance with organizational needs. (Pedraza-Rodríguez et al., 2023) explains that employee competency development includes various activities such as training, continuous learning, mentoring, and career development. In the context of digital transformation, employees need to acquire new skills such as digital literacy, technology-based problem solving, and collaboration skills in an increasingly connected work environment.

Digital Transformation

Digital transformation describes the use of digital technology to change organizational operations, interactions with customers, and create added value. (Panchal et al., 2024) explain that digital transformation involves the use of technologies such as artificial intelligence, data analytics, Internet of Things (IoT), and cloud computing to improve efficiency, innovation, and customer experience. These changes have shifted business paradigms, forcing organizations to update their human resource management strategies.

Human Resource Development Perspective

The HR Development Perspective highlights the importance of investing in employee development as a key organizational asset. (Rúbies et al., 2024) emphasize the importance of understanding employee needs, career planning, performance evaluation, and developing appropriate training programs. In the era of digital transformation, this perspective emphasizes organizational adaptation to technological changes and ensures employees have skills in line with new demands in the digital work environment.

Integration of Digital Transformation with Employee Development

The integration of digital transformation with employee development is very important to ensure a match between organizational needs and the skills possessed by employees. (Umuteme & Adegbite, 2023) emphasizes the need for a holistic approach to employee development, including the use of technology to provide personalized and contextual learning, as well as allowing flexible access to learning resources. This literature review emphasizes the importance of integrating employee competency development strategies with digital transformation in human resource management. By understanding these key concepts, future research can identify effective strategies in developing employees in facing the era of digital transformation. It provides an overview of the concept concepts that are relevant to the research topic and highlight the importance of integration between digital transformation and employee competency development from an HR Development perspective.

METHODOLOGY

The research method used is a qualitative approach to explore employee competency development strategies in the era of digital transformation. This approach facilitates a deep understanding of the strategies used by organizations and the complexity of the digital changes they face. The research design involved detailed case studies in several organizations representing different industries and levels of readiness for digital transformation. Through this case study, researchers can analyze employee competency development strategies comprehensively and contextually.

Data collection will be carried out through interviews with HR managers, organizational leaders and related employees, as well as direct observations in the workplace to understand competency development practices. Additionally, analyze documents such as

HR policies and employee development programs will also be implemented. The collected qualitative data will be analyzed using a thematic analysis approach, with the analysis process including data coding, identifying main themes, and compiling findings that emerge from the data. The validity and reliability of findings will be maintained through data triangulation, researcher reflection, and audit recording.

This research will also pay attention to the principles of research ethics, including obtaining consent from participants, maintaining the confidentiality of information, and ensuring there is no negative impact on participants or the organization being studied. Within a period of two to three months, research will be carried out starting from data collection, data analysis, to preparing the final report. This methodology is expected to provide valuable insight for HR practitioners and management in developing effective employee competency development strategies in facing the challenges of the digital transformation era.

RESEARCH RESULT

Employee Competency Development Strategy

The research results show that organizations generally adopt various strategies to improve employee capabilities in the era of digital transformation. These strategies include:

a. Continuous Training and Learning

Organizations organize regular training and provide access to online learning platforms so employees can acquire new skills that are important in a digital work environment.

b. Career Development

Career development programs and challenging project assignments provide opportunities for employees to develop new skills and broaden their understanding of digital technologies.

c. Mentoring and coaching

Mentoring and coaching programs help employees hone soft skills such as leadership, communication and collaboration that are very meaningful in an increasingly connected work environment.

Integration of Digital Transformation with Employee Development

Combining digital transformation with employee development is very important to ensure employees have skills that are relevant to new technological developments. Organizations that successfully combine employee competency development strategies with digital transformation tend to gain significant competitive advantages in the face of rapid changes in the market.

Implications for Human Resource Management

These findings have significant implications for human resource management (HR). HR managers must ensure that their employee development strategies are aligned with the organization's digital transformation vision. This requires adjustments in designing and implementing competency development programs, as well as emphasizing the importance of digital literacy and technological skills in an increasingly digital work environment.

Research Limitations and Recommendations for Further Research

Although this research provides valuable insights into employee competency development strategies in the era of digital transformation, there are several limitations that need to be considered. This research is limited to case studies in several organizations, so generalization of the findings needs to be done with caution. Future research could broaden the scope by using different research methods or conducting longitudinal research to track the development of employee development strategies over a longer period of time. In facing the digital transformation era, employee competency development strategies are the key to organizational success. By adopting a holistic and integrated approach to employee development, organizations can ensure that employees have the skills and knowledge necessary to keep up with technological change and gain a competitive advantage in an increasingly digital work environment. The findings of this research have important implications in the context of human resource management and digital transformation. Additionally, future research should consider the limitations of existing research and provide recommendations for future research to guide further research in this area.

DISCUSSION

This research found several important findings that have significant implications in human resource management in the era of digital transformation. One of the main findings is the adoption of various employee competency development strategies by organizations in response to changes in the increasingly digital work environment. These strategies, such as ongoing training, career development, and mentoring and coaching, reflect organizations' efforts to improve employee skills and knowledge to match the demands of new technology. The integration of digital transformation with employee development is also an important theme in this research. The results show that organizations that successfully integrate employee competency development strategies with digital transformation tend to have significant competitive advantages. This

emphasizes the importance of human resource management that is adaptive and responsive to technological changes in achieving organizational goals.

In the context of human resource management, the findings of this research have various important implications. HR managers need to ensure that their employee development strategies are aligned with the organization's digital transformation vision. This requires adjustments in the planning and implementation of competency development programs, as well as an emphasis on digital literacy and technology skills in an increasingly digital work environment. However, this study has several limitations that need to be considered. Limitations in case studies across some organizations indicate the need to generalize findings with caution. Therefore, it is recommended that future research broaden the scope by using different research methods or conducting longitudinal research to examine the development of employee development strategies over a longer period of time.

In conclusion, this research highlights the importance of employee competency development strategies in the era of digital transformation and emphasizes the key role of human resource management in facing the challenges and opportunities posed by technological change. By understanding the findings of this research, organizations can adopt a holistic and integrated approach to employee development, enabling them to deal with technological change more effectively and achieve competitive advantage in an increasingly digital work environment. The discussion provides an overview of the main findings of the research and their implications in the context of human resource management and digital transformation.

CONCLUSIONS AND RECOMMENDATIONS

Employee competency development has a very vital role in anticipating the era of digital transformation. Organizations need to implement various strategies such as continuous training, career development, and mentoring to ensure that employees have skills that are relevant to technological developments. Integrating digital transformation with employee development is also the main key to achieving competitive advantage in facing ongoing market changes. HR managers need to ensure that employee development programs are aligned with the digital transformation vision of the organization. This research makes an important contribution to the human resource management literature, especially in the context of technological change and employee competency development. Recommendations for further research are to expand the scope of the study by using different research methods and conducting longitudinal research to track the development of employee development strategies over a longer period of time. By adopting a holistic and integrated approach to employee development, organizations can ensure their success in facing the era of digital transformation.

1. Organizations must continue to update and adapt their employee development strategies to technological developments and changing market demands.
2. HR managers need to ensure that employee development programs align with the organization's digital transformation vision and provide access to appropriate training.
3. It is important to involve employees in the process of developing their competencies and provide adequate support to improve their skills and knowledge.
4. Organizations can consider partnering with educational or training institutions to organize more structured and comprehensive employee development programs.
5. Future research could focus on assessing the effectiveness of employee competency development strategies in facing digital transformation as well as identifying factors that influence the successful implementation of these programs

ADVANCED RESEARCH

By carrying out in-depth research in this area, it is hoped that it can offer more comprehensive direction for organizations in formulating successful employee skills development strategies in facing the challenges of the digital transformation era.

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