

Strategic Human Resource: The Key to Future Business Sustainability

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ABSTRACT

This study examines the crucial role of Strategic Human Resource Management (HRM) as a key to future business sustainability. In a business landscape that continues to experience disruption, this study uses a descriptive-qualitative approach with a literature review method. The results show that Strategic HRM plays a fundamental role in creating sustainable competitive advantage. Strategic HRM transforms human resources into unique, non-imitable strategic assets and becomes a key source of innovation. In addition, this approach builds mutually beneficial relationships with employees, which encourages loyalty and high productivity. Finally, Strategic HRM ensures that every HR practice, from recruitment to compensation, is aligned with the company's overall vision and strategy.

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1. INTRODUCTION

In today's rapidly changing business landscape, sustainability is no longer measured solely by financial profitability. (Fathoni, Firda, Aminudin, & Putra, 2023). Business sustainability now also encompasses a company's ability to adapt, innovate, and remain relevant amidst constant disruption. (S. A. A. Putra, Pratikto, & Winarno, 2021). This paradigm shift demands a more holistic and visionary approach to every aspect of management, especially Human Resource Management (HRM). While HRM was once seen solely as an administrative function managing payroll, recruitment, and leave, its role has now evolved into a strategic partner determining the direction and long-term success of an organization. This is the essence of Strategic HRM, a concept that positions human employees as the most valuable asset and the primary driving force for achieving business goals. (Iswahyudi et al., 2023).

The Transformation of the Role of HR: From Administrative to Strategic. Historically, the HR function has often been marginalized from high-level decision-making. HR departments were tasked with ensuring regulatory compliance, processing paperwork, and handling employee complaints. These activities, while important, did not directly contribute to core business strategies such as market expansion. (Asmawan, Hikmah, Fathoni, & Putra, 2024), product development, or increasing competitiveness. This mindset views employees as "costs" to be managed, rather than as "investments" to be developed.

However, the era of digital disruption, globalization, and increasingly fierce competition has changed everything. (S. A. A. K. Putra, 2025). Corporate value is increasingly generated by intangible assets such as knowledge, creativity, and innovation. These assets are entirely in the hands of people. Therefore, companies that want to survive and thrive can no longer ignore the central role of human resources. (Lestari, 2019). Mereka menyadari bahwa strategi bisnis terbaik sekalipun akan gagal jika tidak didukung oleh tim yang kompeten, termotivasi, dan selaras dengan visi perusahaan (S. A. A. K. Putra Et Al., 2022). Strategic HRM emerged as a response to this awareness. It is an approach that actively aligns HRM practices, from recruitment and training to performance management and compensation, with the company's strategic objectives. For example, if a company wants to be a market leader in technological innovation, Strategic HRM will focus on recruiting top talent in R&D (Research and Development), creating continuous training programs, and building a culture that encourages experimentation and tolerance for failure. This is a fundamental shift from reactive to proactive, from tactical to strategic. Future business sustainability is not only about generating profits today, but also about building a strong foundation to face tomorrow's challenges. (Sinurat, 2024).

Developing Future Talent and Competencies. The world of work is changing rapidly. Skills relevant today may be obsolete tomorrow. Strategic HRM not only fills open positions but also identifies competency gaps that will emerge in the future. (Empat & Hanggraeni, 2023). By conducting a strategic needs analysis, companies can design upskilling (improving skills) and reskilling (training new skills) programs to prepare employees for upcoming challenges, such as AI adoption, automation, or business model changes. (Rachmadana, Putra, & Difinubun, 2022). This ensures that the company always has a ready and adaptive team. Encouraging Innovation and Adaptability. Innovation is at the heart of business sustainability. Strategic HRM plays a crucial role in creating an ecosystem conducive to innovation. This is achieved by building a culture that values new ideas, encouraging cross-departmental collaboration, and giving employees the autonomy to experiment. Through a fair and transparent performance management system, employees feel safe to take risks and learn from mistakes. This approach ensures that the company is not merely reactive to change, but proactive in creating its own future. (Priadana & Hadian, 2024).

While the urgency of Strategic HRM is clear, its implementation is not without challenges. Many companies are still stuck in the old mindset where HR is seen as a cost center. Lack of support from top management, resistance to change, and difficulty in measuring the Return on Investment (ROI) of HR initiatives are major obstacles. However, in the future, these challenges will become even more pressing to address. With the emergence of new technologies such as artificial intelligence (AI) transforming the way work is done, the need for a highly skilled and adaptable team will become even more crucial. (S. A. A. K. Putra, ZA, Hardianti, & Rachmadana, 2024). Therefore, research on the key to HR success in future business is very important.

2. METHODS

This research uses a qualitative descriptive approach with a literature study method (Yam, 2024). A qualitative approach was chosen because it aims to understand phenomena and concepts in depth, rather than to test statistical hypotheses. This approach allows for a comprehensive analysis of various theoretical and practical perspectives. (S. A. A. K. Putra, Asmawan, Hikmah, & Hamidudin, 2024) The best research related to Strategic Human Resource Management (HRM) and business sustainability. The main data in this study were obtained from literature studies. The data sources used include: Scientific Journals and Academic Publications: Journals relevant to the topics of management, human resources, business strategy, and sustainability from leading databases such as Scopus, Google Scholar, and DOAJ, Textbooks and E-Books: Publications from experts in the fields of HRM, strategic management, and organizations. The data analysis technique used is content analysis. This process involves, Data Reduction, Identifying and sorting the most relevant information to the research theme (NURLINA, 2024). Through this approach, the research is expected to provide a comprehensive

and in-depth picture of the importance of Strategic HR as the main foundation for achieving business sustainability in the future.

3. FINDINGS AND DISCUSSION

Based on data analysis from a literature review, this study found that Strategic HRM plays a fundamental role in shaping and maintaining business sustainability. Relevant theories found in the literature reinforce the argument that the shift from traditional HRM to strategic HRM is not just a trend, but a necessity for companies seeking to excel amidst disruption. (Tanuwijaya, KOM, & MT, 2025)

Resource-Based View - RBV

The Resource-Based View (RBV) theory, popularized by Jay Barney, states that a company's competitive advantage comes from resources that are unique, rare, not easily imitated, and cannot be substituted. (Gama, Mitariani, & Widnyani, 2024). In this context, human resources (HR) are the most critical intangible asset. Research shows that Strategic HRM is the primary mechanism for managing and developing this asset. Instead of focusing solely on cost efficiency, Strategic HRM invests in: Recruiting Top Talent: Seeking individuals with unique competencies that align with the company's vision. (Pettalongi, Widodo, Djunaedi, Lestari, & Anisa, 2025). Continuous Training and Development: Building knowledge and skills that are difficult for competitors to replicate. Strong Organizational Culture: Creating an environment where collaboration and innovation thrive, which is difficult for other organizations to replicate. Thus, Strategic HRM transforms employees from mere operational costs into a source of sustainable competitive advantage, in line with the essence of RBV theory.

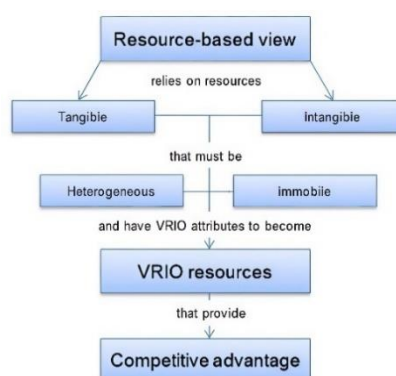


Figure 1 RBV (Resource Based View) is an approach to achieving competitive advantage

Source: (Rahmatullah, Wijayantini, & Wibowo, 2023)

However, not all resources can create competitive advantage. (Sianipar, Mardiana, & Isbah, 2024). For a resource to generate a sustainable advantage, it must meet the VRIO criteria as shown in Figure 1. VRIO consists of: Valuable: The resource must enable the company to exploit opportunities or neutralize threats in the external environment. Rare: The resource is not possessed by many competitors, making it unique. Inimitable: The resource is difficult or expensive for competitors to imitate. Organized: The company must have the right structures, systems, and processes to manage and exploit the resource.

A company does not compete simply by creating the same products as its competitors, but by building unique internal advantages (Sianipar et al., 2024). Valuable Resource: Inovatech has a research and development (R&D) team comprised of world-class engineers and scientists. This team is highly valuable because they are able to develop new technologies that are in high demand in the market. Rare Resource: This R&D team is not only skilled, but also has specialized expertise in the field of artificial intelligence (AI) that many competitors do not possess. This makes them rare. Inimitable Resource: This R&D team's expertise is difficult to imitate. They have worked together for years, building deep collective knowledge and strong team synergy. Their success stems not from individuals alone, but

from complex interactions and collaborations that are difficult for other companies to replicate. Furthermore, a company culture that encourages experimentation, tolerance for failure, and collaboration is also an intangible asset that is difficult to imitate. Organized: Strategic Human Resource Management (HRM) at Inovatech manages and optimizes this resource very well. They invest heavily in: Recruitment, creative potential and adaptability, Training and Development, Organizational Culture.

Social Exchange Theory

Social Exchange Theory argues that relationships between two parties (in this case, employees and companies) are formed based on the exchange of benefits. Employees provide effort, loyalty, and commitment, while companies provide compensation, recognition, and opportunity. (Yuliani & Kamilia, 2025). Results (Kurniawan & Wartini, 2025) shows that Strategic HRM strengthens these exchanges in a positive and sustainable way. When companies adopt Strategic HRM, they tend to provide rewards that go beyond just salary. These include: Fair Performance Management: Providing constructive feedback and opportunities for growth. A Healthy Work Environment: Caring for employees' physical and mental well-being. Clear Career Opportunities: Providing paths to promotion and personal development. Employees who feel valued and treated fairly reciprocate with higher organizational commitment, increased productivity, and greater innovation. This mutually beneficial relationship creates a positive loop that is essential for long-term sustainability. Strategic Human Resource Management (HRM) transforms these exchanges from merely transactional to more relational and sustainable relationships, as shown in Figure 2.



Figure 2: Social Exchange Theory

Source: (Nasrolahi Vosta & Jalilvand, 2023)

Strategic HR focuses not only on fair wages but also on non-financial values that provide long-term benefits for both parties. This creates a positive exchange loop.

1. Rewards Beyond Salary: Fair Performance Management. This system is not just for evaluation, but also for development. By providing constructive feedback and opportunities for growth, companies demonstrate that they are investing in their employees' futures. Employees will reciprocate this investment with increased performance, loyalty, and commitment. Healthy Work Environment: Companies that adopt Strategic HRM care about the physical and mental well-being of their employees. This could be in the form of wellness programs, work flexibility, or work-life balance initiatives. This concern is a strong signal that the company values employees as people, not just resources (Hadi et al., 2024). Employees who feel valued will feel a reciprocal obligation to give their best. Clear Career Opportunities: By providing clear promotion paths and training programs, companies provide hope and motivation to employees. Employees see a future with the company and feel that their efforts will be recognized. This strengthens organizational commitment, reduces turnover, and encourages employees to continuously improve their skills.

2. **Mutually Beneficial and Sustainable:** When a company consistently provides benefits (both material and non-material) that exceed employees' minimum expectations, employees will voluntarily reciprocate with greater contributions. Employees who feel valued and recognized tend to be more productive, more creative, and more willing to put in extra effort (discretionary effort).

Strategic Alignment Theory

Strategic Alignment Theory emphasizes the importance of aligning all internal aspects of an organization, including HR, with the overall business strategy. This theory argues that a misalignment between business strategy and HR practices can hinder or even thwart the achievement of company goals. This study found that Strategic HRM serves as a bridge that aligns HR practices with the company's strategic goals. For example: A company focused on cost efficiency will implement Strategic HRM that emphasizes process efficiency, technical skills training, and results-based compensation. A company focused on innovation and differentiation will implement Strategic HRM that encourages creativity, team collaboration, and a reward system for new ideas. Strategic Alignment Theory emphasizes the importance of aligning all internal aspects of an organization, including HR, with the overall business strategy. This theory argues that a misalignment between business strategy and HR practices can hinder or even thwart the achievement of company goals. This study found that Strategic HRM serves as a bridge that aligns HR practices with the company's strategic goals. For example: A company focused on cost efficiency will implement Strategic HRM that emphasizes process efficiency, technical skills training, and results-based compensation. Companies that focus on innovation and differentiation will implement Strategic HRM that encourages creativity, team collaboration, and a reward system for new ideas.

This alignment ensures that every HR practice, from recruitment to offboarding, directly supports and reinforces the core business strategy, ensuring all elements of the organization are moving in the same direction. Overall, these findings underscore that Strategic HRM is not just about managing people, but about maximizing human potential to achieve strategic goals and corporate sustainability.

4. CONCLUSION

Strategic HRM ensures that every human resource practice, from recruitment and training to performance management to retention, is fully aligned with the company's business objectives. By implementing Strategic HRM, an organization can: **Transform Human Resources into Competitive Advantage:** In line with the Resource-Based Theory (RBV), Strategic HRM views employees as unique assets that cannot be easily imitated. By investing in talent, companies build a solid foundation for market differentiation. **Build Positive Relationships and Employee Loyalty:** In line with Social Exchange Theory, Strategic HRM creates a mutually beneficial environment. Employees who feel valued, supported, and have a clear career path will reciprocate with high levels of commitment, productivity, and loyalty, which in turn reduces costs and increases stability. **Ensure Organizational Strategic Alignment:** Based on Strategic Alignment Theory, Strategic HRM ensures that every HR initiative supports the company's vision and mission. This prevents fragmentation and ensures that all elements of the organization are moving in the same direction, whether facing growth or disruption. Ultimately, business sustainability in an era of uncertainty is determined not only by financial capital or cutting-edge technology, but also by the capabilities, creativity, and adaptability of its human resources. Therefore, investing in strategic human resources is the most essential investment a company can make to ensure they not only survive but also thrive and lead into the future.

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