

Article

Human Resource Management Strategy to Improve Company Competitiveness at PT. Agro Niaga Eternal City of Bandung

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Abstract : This study aims to analyze the effect of Human Resource Management (HRM) Strategy on Company Competitiveness, by considering the role of Employee Performance and Employee Innovation as mediating and moderating variables. The research was conducted at PT Agro Niaga Abadi Bandung City by involving 100 respondents as research samples. The method used is quantitative with multiple linear regression approaches, including testing moderation interaction variables. The results showed that HRM Strategy has a significant effect on Company Competitiveness, with a significant value of 0.000 and a coefficient of determination (R^2) of 0.972. Employee Performance and Employee Innovation are also proven to have a positive and significant influence on competitiveness, with a significance level of 0.045 and 0.037, respectively. In addition, the interaction between Employee Innovation and Employee Performance shows a significant effect on the company's competitiveness (significance 0.029), which proves that Employee Innovation can positively moderate the relationship between Performance and Competitiveness. These findings confirm that effective HR management strategies, optimal employee performance, and a strong culture of innovation are key factors in building a company's competitive advantage.

Keywords: HRM Strategy, Employee Performance, Employee Innovation, Company Competitiveness,

1. Introduction

In today's era of globalization and industrial revolution 4.0, effective human resource management (HRM) is critical for organizations striving for sustainable competitiveness. Strategic human resource management (SHRM) integrates HR practices with business objectives, fosters a positive work culture and enhances employee competencies, which are critical to achieving organizational goals (Idrus et al., 2023) . In

addition, global talent management plays a critical role, as companies must attract and retain skilled employees from diverse backgrounds to navigate the complexities of the global marketplace (Paramarta et al., 2021) . HR digital transformation further enhances this process by leveraging technology to streamline operations and enhance employee experience, thereby driving innovation and agility. In addition, competency-based HR management focuses on developing the necessary skills in the workforce, ensuring alignment with business needs (Adeniyi & Damilola, 2024).

Companies can excel in managing their human resources through a comprehensive approach that includes recruitment, competency development, performance management, and employee retention. By optimizing the recruitment process, organizations can attract high-quality candidates, which is essential for building a skilled workforce (Gutterman, 2023) . Furthermore, implementing competency development programs improves employee skills and job performance, fostering a culture of continuous growth. An effective performance management system aligns individual goals with organizational goals, thereby increasing productivity and engagement (Channuwong, 2023). Finally,

Received: 15 February, 2025

Revised: 18 March, 2025

Accepted: 11 April, 2025

Published: 30 April 2025

Curr. Ver.: 30 April, 2025



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strong employee retention strategies, such as competitive compensation and opportunities for advancement, are critical to maintaining a motivated workforce and reducing turnover.

However on fact Many companies still view the HR function as merely administrative, focusing on operational tasks such as payroll and recruitment, rather than integrating HR strategies into long-term business planning. However, research shows that aligning HR functions with the company's vision can create significant added value and competitive advantage (Agustian et al., 2023) . This strategic approach, known as Strategic Human Resource Management, emphasizes the importance of HR as a business partner rather than just an administrative entity. In addition, effective Talent Management is critical, as it involves attracting and retaining top performers who drive business success (Mukhametshina, 2024) . In addition, Performance Management plays a vital role in setting goals and evaluating employee performance, which is essential to achieving organizational goals. Finally, focusing on Organizational Development can improve overall performance and effectiveness, further strengthening the strategic role of HR in business success (Geethanjali et al., 2023) .

Responding to rapid market changes and the evolution of digital technology, companies must reassess their HR management strategies to remain competitive. At the heart of this transformation is work flexibility and autonomy, which empower employees to manage their schedules, increasing job satisfaction and productivity (Tessema et al., 2024) . In addition, digital-based training and development are essential to equip the workforce with the necessary skills, fostering adaptability in a dynamic environment (Eliza, 2023) . Furthermore, adopting a remote work strategy allows organizations to maintain productivity while offering employees the flexibility they desire. Finally, cultivating a collaborative work culture promotes teamwork and open communication, encouraging innovation and engagement among employees (Iswandi & Kuswinarno, 2024) . Therefore, research is needed that can examine in depth how these strategies are implemented at PT. Agro Niaga Abadi and their impact on increasing the company's competitiveness.

2. Study Library

Human Resource Management (HRM)

According to Dessler (2020) , *human resource management* is the process of planning, organizing, directing, and controlling personnel activities in an organization to achieve company goals effectively and efficiently. Human resource management is not only concerned with administrative aspects, but also includes strategic functions in developing and utilizing employee potential. Hasibuan (2021) added that HR is a company's main asset that requires a managerial approach so that it can be optimally empowered. HR functions such as recruitment, training, performance management, and compensation must be carried out in an integrated manner with the organization's vision and mission.

Human Resource Management Strategy

Human resource management strategy refers to a long-term, integrated approach to managing people in an organization. Armstrong & Taylor (2020) states that HR strategy includes policies and practices designed to create a competent, motivated and engaged workforce, and is aligned with business strategy.

According to Boxall & Purcell (2016) , HR strategy consists of two main aspects:

1. *High Performance Work Practices (HPWP)* includes practices such as ongoing training, employee participation, and systematic performance evaluation.
2. *Strategic Fit* includes alignment between HR strategy and the company's business strategy.

Company Competitiveness

The competitiveness of a company is fundamentally influenced by several interrelated factors. A key element is the identification and exploitation of competitive advantages, which enable companies to operate more efficiently than their competitors, thereby improving their market position (Flak & Glód, 2015) . Innovation management also plays a vital role, as fostering a culture of innovation allows companies to stay ahead of the curve in a rapidly changing market. Furthermore, applying Porter's Five Forces framework allows businesses to analyze the competitive landscape, identifying threats and

opportunities that can inform strategic decisions. Finally, competitor profiling is essential for understanding competitors' strengths and weaknesses, allowing companies to anticipate market movements and develop targeted strategies to beat them.

Previous Research

Research shows a strong relationship between HR strategy and increased competitiveness in various sectors. Nugroho & Lestari (2022) showed that competency-based HR development significantly increases competitive advantage in manufacturing, highlighting the importance of skills enhancement for organizational performance. Similarly, Putri & Suryani (2021) found that implementing a performance appraisal system and career development program not only increases work motivation but also improves the competitiveness of SMEs, indicating that targeted HR initiatives can drive business success. Furthermore, Wijaya et al. (2023) emphasized that strategic talent management is essential to drive innovation and enable rapid adaptation to market changes, which is essential for maintaining competitive advantage.

3. Method

This study uses a quantitative approach with an associative research type, because it aims to measure the extent to which human resource management strategies influence the company's competitiveness. This study is also explanatory, namely explaining the relationship between variables that have been formulated in the hypothesis.

The research will be conducted at PT. Agro Naiga Eternal, with a population of all employees working in the company that is the object of the research, especially those at the managerial level and who have direct involvement in HR management policies or practices. Sample on study This as much as 100 respondents,

4. Results Study

1. Demographics Respondent

Table 1. Demographics Respondent

Information		Amount	Percentage
Gender	Man	60	60%
	Woman	40	40%
Age Range	< 25 years	15	15%
	25 – 34 years	40	40%
	35 – 44 years	30	30%
	> 44 years	15	15%
Education	High School/Vocational School	25	25%
	Diploma (D3)	20	20%
	Bachelor degree)	45	45%
	Postgraduate (S2) and so on	10	10%
Length of work	< 1 year	10	10%
	13 years old	35	35%
	4 – 6 years	30	30%
	> 6 years	25	25%
Position	Executive Staff	50	50%
	Supervisor/Team Leader	25	25%
	Manager	15	15%
	Senior Manager	10	10%

Source : Results Data Processing

Based on the results of distributing questionnaires to 100 respondents at PT. Agro Niaga Abadi, Bandung City, a general description of the characteristics of the respondents was obtained as follows:

The majority of respondents in this study were male, which was 60%, while females were 40%. This reflects that the workforce structure in this company is still dominated by men. Age respondents s most of the respondents are in the productive age range, namely between 25 to 34 years (40%), followed by the 35-44 age group (30%). Meanwhile, 15% of respondents are under 25 years old and the remaining 15% are over 44 years old.

The education level of respondents shows that the majority have completed higher education, with 45% having a bachelor's degree (S1), followed by high school/vocational school graduates (25%), diploma (20%), and postgraduate (10%). This condition shows that most employees have sufficient educational background to understand the company's strategic policies. As many as 35% of respondents have worked for 1-3 years, 30% for 4-6 years, and 25% more than 6 years. Only 10% have only worked for less than a year. This shows that the majority of employees have sufficient work experience in the company. This is important because those who have worked for a long time will be able to provide a deeper view of the HR strategy that has been running and its impact on the company's competitiveness.

Most respondents held positions as executive staff (50%), followed by supervisors/team leaders (25%), middle managers (15%), and senior/top level managers (10%). Overall, the demographic profile of respondents shows that PT. Agro Niaga Abadi has a relatively balanced composition of employees in terms of age and education, with male dominance and the majority in executive positions.

2. Test Validity & Reliability

Table 2.
Test Validity & Reliability

n = 100

No	Variable	Dimensions	Measurement Indicators	Correlation Person	Cronbach`s Alpha
1	HR Strategy	HRD	Alignment of workforce planning with the company's long-term goals	,754 **	0.988
		RSB	Strategies for attracting and selecting the best talent	,760 **	
		KDP	A systematic training program that is oriented towards improving skills	,779 **	
		MKT	Performance appraisal integrated with organizational strategy	,727 **	
		MTK	Potential employee retention and development strategies	,792 **	
		SKR	Reward policies that encourage motivation and productivity	,792 **	
		KKK	Transparency, two-way dialogue and collaborative working culture	,797 **	
2	Employee performance	YOKE	Accuracy, suitability and standards of work results	,768 **	
		KLK	Number of jobs completed as per target	,804 **	
		KWT	Ability to complete tasks on time	,777 **	
		EFK	Optimal use of resources and time	,724 **	
		KBS	Collaboration with team and communication skills	,802 **	
		TJG	Level of concern and compliance with work duties and rules	,723 **	

		IDK	Willingness to act more without being told, and discipline in working	,810 **
3	Employee Innovation	PIB	Ability to generate unique and useful ideas	,734 **
		PII	Ability to apply ideas into real solutions at work	,756 **
		GPA	Active efforts to improve work efficiency or effectiveness	,735 **
		ETM	Openness to new technologies or work approaches	,820 **
		GDP	Looking for new opportunities, even when not asked or ordered	,730 **
		KMI	Don't give up easily when facing challenges in implementing ideas	,783 **
4	Company Competitiveness	KIP	The company is able to create added value and new ideas	,707 **
		HOOD	Responsive to technology, regulation, or market trends	,712 **
		PEO	Effective use of resources to produce maximum output	,738 **
		KPL	Customers' positive image and perception of quality	,793 **
		KDB	Able to compete through price or uniqueness	,771 **
		PPP	Financial indicators as a reflection of competitive position	,777 **
		RCP	Public and customer perception of the company	,754 **

Source : Results SPSS 25 Data Processing

Based on the results of data processing on 100 respondents at PT. Agro Niaga Abadi Kota Bandung, a clear picture was obtained regarding the relationship between Human Resource Management Strategy (HRM) with Employee Performance, Employee Innovation, and Company Competitiveness. The analysis was conducted using the Pearson correlation test to measure the validity of the indicators, as well as the reliability test using Cronbach's Alpha.

In the HR Strategy variable, all indicators show a Pearson correlation value above 0.72, which means that it has a very strong and significant relationship with its main variable. The highest indicator is in collaborative work culture and internal transparency (KKK) of 0.797, and employee development and retention strategy (MTK and SKR) of 0.792. This shows that aspects of an open work culture, retention strategy, and adequate compensation are important elements in implementing an effective HR strategy. The Cronbach's Alpha value of 0.988 indicates that all measurement items in this variable are very reliable and consistent.

Employee Performance variables also show similar results, with all indicators having high correlation values, ranging from 0.723 to 0.810. The indicator with the highest correlation is "initiative and work discipline" (IDK) at 0.810, followed by the ability to complete work according to target (KLK) at 0.804.

In the Employee Innovation variable, openness to technology and new work approaches (ETM) recorded the highest correlation of 0.820, indicating that companies that encourage the use of technology and flexibility in work methods tend to have more innovative employees. Other indicators such as the implementation of ideas (PII) and resilience to challenges when executing ideas (KMI) also showed strong correlations, at 0.756 and 0.783, respectively. This shows that innovation does not only depend on ideas, but also on the courage and perseverance in realizing ideas into real solutions.

Meanwhile, the Corporate Competitiveness variable also shows a strong and significant relationship to all its indicators, with correlation values ranging from 0.707 to 0.793. Customer image of product or service quality (KPL) is the highest indicator with a

correlation of 0.793, indicating that positive customer perceptions of quality greatly determine the company's competitiveness. Followed by financial performance indicators (PPP) and product uniqueness (KDB) which also have important contributions in describing the competitiveness of the organization.

3. Analysis Multiple Linear Regression

Model 1. Influence HR Strategy Towards Performance Employee

Table 3.

Analysis t- test , F -test & Analysis CEO determinant

Variable	t-test	Sign	F Test	Sign	RSquare
HR Strategy	45,257	0,000	2048,209	,000 ^b	0.954

Source : Results Data processing 2025

1. t-test (Partial Test)

- test value for the HR Strategy variable is 45.257 with a significance level of 0.000 . Because the significance value is smaller than 0.05 ($p < 0.05$), it can be concluded that partially, HR Strategy has a significant effect on the performance variable. employees . This means that when the HR strategy is improved, there will be a real increase in the performance variables . employee .

2. F Test (Simultaneous Test)

F test results shows a value of 2048.209 with a significance of 0.000 , which is also far below 0.05. This shows that the regression model is simultaneously significant , or in other words, the HR Strategy variable has a significant influence on the performance variable. employee .

3. Coefficient of Determination (R^2)

R Square value = 0.954 , which means 95.4% HR Strategy Variables give influence by 95.4% on performance variables employees . And the remaining 4.6 % is explained by other factors outside the research. This .

Model 2. Influence Variable Moderation

Table 4. Influence of Moderation Variables

Variable	t-test	Sign	F Test	Sign	RSquare
HR Strategy	5,884	0,000	817,839	,000 ^b	0.972
Employee Performance	0.911	0.04 5			
Employee Innovation	1,103	0, 0 3 7			
Employee Innovation*Performance Press. Towards Company Competitiveness	0.982	0, 0 29			

Source : Results SPSS25 data processing

The results of the analysis show that HR Strategy remains a very significant variable in influencing the company's competitiveness. This is evidenced by the t-test value of 5.884 with a significance level of 0.000 . This means that a good HR management strategy including workforce planning, recruitment, training, performance appraisal, to

retention and compensation has a major contribution to improving the company's competitive position in the market. The Employee Performance variable shows a significant influence on the company's competitiveness, with a t-test value of 0.911 and a significance of 0.045 ($p < 0.05$).

Although the t-value is not very high, this significance indicates that improving individual and team performance in the organization, both in terms of quality, timeliness, and collaboration, makes a real contribution to the company's competitiveness. In addition, the Employee Innovation variable is also proven to have a significant direct effect on competitiveness, with a t-test value of 1.103 and a significance of 0.037 (< 0.05). This means that employees' ability to create and implement new ideas, openness to technology, and persistence in facing challenges, play an important role in strengthening the company's competitive advantage.

The most important thing in this model is the result of the interaction between Employee Innovation and Employee Performance, which is used to test the moderation effect. This interaction shows a t-test value of 0.982 with a significance level of 0.029, which means that Employee Innovation functions as a significant moderating variable in the relationship between Employee Performance and Company Competitiveness. Thus, it can be concluded that Employee Innovation strengthens the influence of Performance on Competitiveness. This means that the higher the level of innovation among employees, the stronger the influence of performance on increasing company competitiveness. The coefficient of determination (R Square) value is 0.972. mark This shows innovation variables employee give strength in influence performance employee to Power competition company as big as namely 97.2% together with HR Strategy variables, Employee Performance, Employee Innovation, and the interaction between Performance and Innovation. And the rest his as big as 2.8 % is influenced by other variables outside the model.

5. Conclusion

Strategies that include HR planning, recruitment, training, performance appraisal, retention, compensation, and organizational communication have been proven to contribute significantly to improving the company's competitive position. With a significance value of 0.000 and a contribution of 95.4% in the initial model, HR strategy is the main foundation in driving the company's long-term competitiveness. This finding confirms that employees who have high performance in terms of punctuality, productivity, team collaboration, and responsibility and initiative can encourage companies to compete better in the market. Although in the previous model the influence was not significant, in the final model with the support of moderating variables, the influence of performance became significant ($p = 0.045$).

The ability of employees to create and implement new ideas, openness to technology, and resilience in facing work challenges have been shown to play an important role in driving the company's competitive advantage. A significance value of 0.037 indicates that innovation is not just a complement, but a strategic element in creating company differentiation and uniqueness. The interaction between Employee Performance and Employee Innovation has a significant effect on Company Competitiveness ($p = 0.029$), which means that innovation strengthens the relationship between performance and competitiveness. In this context, employees who not only work well but also think innovatively will have a greater impact on the company's competitive position. The coefficient of determination (R Square) value of 0.972 indicates that 97.2% of the variation in company competitiveness can be explained by a combination of HR Strategy, Employee Performance, Employee Innovation, and their interactions. This reflects that the model used in this study is very strong, relevant, and able to explain the phenomenon being studied.

Implications

This study emphasizes the importance of implementing a comprehensive and long-term oriented HR strategy to form human resources that are not only competent, but also innovative and highly competitive. Companies need to integrate HR strategies with a work culture that supports optimal performance and continuous innovation.

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