Leadership Development Strategies in Organizations: The Role of Human Resource Management in Improving Effectiveness and Productivity

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Abstract. Effective human resource management strategies are essential to sustainable business growth in a rapidly changing and competitive business environment. For organizations wishing to remain relevant and competitive in the global marketplace, leveraging innovation, environmental sustainability, ethics, and social responsibility in human resource management is of great concern. Therefore, this research aims to determine how implementing human resource management strategies focusing on innovation, sustainability, and ethics can help organizations achieve sustainable growth. This research used a descriptive-analytical approach by collecting data through a literature review and content analysis of various relevant sources. The findings of this study revealed that HRM strategies based on innovation and sustainability help organizations maximize human resource potential and create productive and sustainable work environments. In addition, applying ethics and social responsibility in HR decision-making is critical in creating an organizational culture of integrity. Organizations can achieve sustainable growth and sustainability by implementing this strategic approach.

Keywords: Leadership; Organization; Strategy; Management.

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Introduction

Organizational growth is one of the most desirable things for any company in this era of globalization and increasing business competition. Sustainable growth is the key to an organization's long-term survival and success. However, HRM plays a critical role in achieving sustainable growth. The quality, skills, and performance of the HR function directly impact an organization's efficiency, productivity, and innovation. Therefore, it is essential to identify effective HR management strategies to support sustainable organizational growth. HR management is challenged to find new ways to meet organizational needs due to technological developments, changes in workforce demographics, and dynamically changing market demands (Setiyowati, 2020).

Organizations can successfully meet these challenges while maximizing the potential of their employees by implementing the right HR management strategy. An effective HR management strategy must be aligned with the organization's vision, mission, and values. Developing a positive, inclusive, and innovative work culture is the foundation of this strategy. Moreover, implementing an HR management strategy focused on developing employees' competencies and skills increases the organization's global competitiveness (Driyantini et al., 2020).

Organizational growth is not only related to financial aspects but also involves developing employees as valuable assets. Organizations can create an environment conducive to improved employee performance and motivation by implementing human resource management strategies focusing on learning and development. Organizations must deal with rapidly changing market dynamics in the context of global competition. Having a human resource management strategy that is adaptive and responsive to change is an essential key to maintaining an organization's competitiveness (Beuren et al., 2022). Some aspects that need attention are flexibility in work arrangements, the development of attractive compensation systems, and the use of sophisticated information technology. Previous studies have shown that employee satisfaction positively impacts organizational performance. Therefore, implementing human resource management strategies prioritizing employee well-being, such as work-life balance programs, career development programs, and merit-based promotions, will positively impact organizational growth (Paul, 2023).

In a constantly evolving business environment, organizations need to be able to retain potential and competent employees. Attractive retention programs such as mentoring approaches, reward programs, and opportunities for career growth within the organization should be part of an effective human resource management strategy. In addition to employee retention, leadership development is essential in human resource management strategies. Effective leadership inspires work culture and moves employees toward a common goal (Firman et al., 2023). Thus, it is necessary to consider leadership development programs in human resource management strategy. An effective human resource management strategy should focus on the current workforce and identify future needs. A mature HR planning process, such as workforce needs analysis and succession planning, will help organizations anticipate changing business environments (Putranto et al., 2022). Against this background, this study aims to analyze and identify effective human resource management strategies in support of sustainable business growth. In addition, this study also aims to evaluate the impact of effective HR management strategies on organizational performance and competitiveness. As such, this research is expected to contribute to developing HRM theory and practice and guide organizations in achieving sustainable growth.

The term "human resources" refers to the strategies, tactics, and goals that business owners and managers use to manage policies and procedures related to employees. Human resource theories explain how management practices and structures can have a positive or negative impact on employee behavior. By understanding the basics of organizational behavior and HR theories and taking action based on that understanding, small business owners can increase the productivity and creativity of their employees while reducing employee turnover (Chen et al., 2022).
Organizational life cycle theory is one of the HR theories. It is the first theory of human resource management. Like living organisms, organizations have a life cycle, as historians and scholars observe. They are born (established or formed), they grow and develop, they reach maturity, they begin to decline and age, and finally, in most cases, they die (Prasetyo & Sukatin, 2021).

The study of the organizational life cycle (OLC) has resulted in several predictive models. These models are related to the study of organizational growth and development and have been the subject of considerable academic debate. In every lifecycle phase, a company is impacted by external and internal factors. We have witnessed the rise and fall of organizations and entire industries. Products also have life cycles, a fact long recognized by marketing and sales professionals. It is reasonable for academics to conclude that organizations also have life cycles (Olanrewaju et al., 2022). One of the other HR theories is the strategic contingency theory. This is the second theory in human resource management that focuses on two concepts, namely "contingency" and "strategic." Contingency is the need for various organizational subunit tasks to be affected by other subunit tasks. Contingency becomes strategic when other subunits control more contingency and influence the organization (Nurjaman et al., 2020).

According to the strategic contingency theory, a leader becomes a central part of an organization because of his or her unique skills in solving the most significant HR challenges that no one else can solve. The high dependency on a leader makes him or her not easily replaceable. Organizations can be described as collections of departments or functions that combine to cope with uncertainty," wrote Hickson, the theory's founder. Factors such as politics and power are essential in managing strategic contingencies. Hickson also gave practical examples to support his concept of strategic contingency theory (Rehardiningtyas et al., 2022). Then one of the other HRM theories or theories that are widely used in human resource management is systems theory. Systems theory is an interdisciplinary study of systems. A system is a coherent collection of interrelated and interdependent parts that can be natural or artificial. Each system is bounded by space and time, influenced by its environment, defined by its structure and purpose, and expressed by its functions. A system can be more than the sum of its parts when it expresses synergy or emergent behavior (Novari, 2020).

Changing one part of a system can affect other parts or the entire system. These changes in behavioral patterns may be predictable. For a system that learns and adapts, the rate of growth and adaptation depends on how well the system interacts with its environment. Some systems support and maintain other systems to prevent failure (Orgill et al., 2019). Systems theory models a system's dynamics, boundaries, and conditions and describes its principles to be recognized and applied to other systems at any level and domain to achieve optimal equilibrium. It is clear how this theory can be applied to HR; therefore, it is one of the most discussed HR theories (Drgoňa et al., 2020).

Another HR theory is the transaction cost theory. Transaction cost theory in human resource management is a part of corporate governance and agency theory. It is based on the principle that there is a cost when one gets someone else to do something for one, for example, a director to run a company that one owns. Transaction cost theory is an alternative variation of the agency's understanding of governance assumptions. According to this theory, governance is based on the net effects of internal and external dealings, not on external contractual relations (Safitri et al., 2021). Many theories explain how an organization can grow sustainably. It helps organizations develop individuals who continuously improve processes, services, and products for various stakeholders. The most relevant applications of this theory are related to eco-innovation, new product development, and cleaner production (Zhang et al., 2023). According to this view, the most critical aspect of business sustainability is the self-motivation of organizational members. It also continuously emphasizes the vision of sustainability, the
values of perseverance, and social and environmental responsibility. The impact on the company's long-term sustainability is the business's continuity despite significant obstacles, the improvement of the ability to achieve competitive performance, and the continuation of market dominance (Zubaidah, 2019).

Based on Avery's theory of sustainable leadership, sustainable leadership can make long-term decisions, systematically innovate, and create a committed team of people. The goal is to improve the sustainability of the business through appropriate management practices that balance people, profit, and the environment. These management practices include management systems, principles, processes, and values and may form mutually reinforcing leadership structures within the organization, such as changing CEO roles, decentralized decisions, ethical conduct, and high social and environmental responsibility (Suriyankietkaew et al., 2022). This strategy aims to fully integrate social and environmental responsibility in business operations and pay attention to social and environmental problems (Suriyankietkaew et al., 2022). The business operations and paying attention to social and environmental problems. It also prioritizes a vision of sustainability, an innovative culture, and a commitment to social and environmental responsibility. The effects on sustainability can be seen in the improved ability to achieve competitive performance, resist crisis, and maintain market leadership. Sustainability reporting, sustainable supply chain management, and cleaner production are the leading practices associated with this theory (Kantabutra & Ketprapakorn, 2021).

The paradox theory of Smith and Lewis can help leaders make sense of today's chaotic, seemingly inexplicable, and often irrational world of limited resources, rapid change, increasing diversity, and growing and dynamic conflicts in everyday business and social decisions and activities. Such a theory can be beneficial for "big" tasks. Leaders need to understand the range of conflicts they face and learn to respond to them in different, more complex, and integrative ways than before (Keller et al., 2021). This philosophy is based on balance, which helps companies strike a balance between long-term and short-term outcomes. According to this theory, a company's vulnerability to sudden and brutal events is reduced by adequately managing risks and opportunities at the operational and policy levels. It emphasizes sustainability, balance, and social and environmental responsibility. This increases the company's resilience. The leading practices of this strategy are risk management and cleaner production (Jaclani, 2021).

Lewin's complexity theory states that small nonlinear changes can lead to significant structural changes, and organizations evolve dynamically through trial-and-error processes over time due to complex relationships. Complexity theory studies the emergence of order in dynamic nonlinear systems, such as weather systems, on the edge of chaos. In such organizations (Fadlol & Subiyanto, 2021), consciousness uses simple regulatory criteria to generate inconsistent but comparable behavior patterns. This theory leads organizations to monitor and invest in change. Risk management, change management, and cleaner production are the leading practices in this approach. According to this view, business sustainability depends on self-reliant individuals who maintain organizational cohesion. It also emphasizes persistence, wisdom, and sustainability. This increases the organization's resilience to internal and external pressures (Alkaraan et al., 2023).

**Research Methodology**

This study employs a comprehensive literature review methodology to explore the nexus between human resource management (HRM) and sustainable organizational growth. Drawing upon diverse sources spanning scholarly articles, books, reports, and other relevant publications, the research synthesizes existing knowledge on HRM strategies and their impact on organizational sustainability. The data collected through this extensive review undergoes meticulous analysis to elucidate critical insights and findings. Through
systematic data processing and synthesis, the study aims to uncover valuable insights into the role of HRM in fostering sustainable growth. This methodological approach allows for a rigorous examination of existing literature, enabling the identification of trends, patterns, and gaps in knowledge. Ultimately, the research seeks to contribute to advancing HRM theory and practice, providing valuable guidance for organizations striving to achieve sustainable growth in a dynamic business environment.

Results and Discussion

Key to supporting sustainable business growth is the role of innovation in human resource management (HRM) strategy. From recruitment and selection processes to employee development and performance management, innovation provides solutions to various challenges in HR. Applying technology and innovation to the recruitment and selection process allows organizations to increase efficiency and effectiveness in attracting and selecting the right employees and attracting and selecting the right employees. Technology enables organizations to reach more potential employees through online platforms and social networks. The selection process can also be more targeted to identify candidates with the potential and skills that match the organization's needs through algorithms and data analytics. Online assessments, which allow HR to conduct thorough assessments without being limited by physical or time constraints, are essential for identifying candidates' potential and skills. This innovation can improve the accuracy of selecting the right people to support organizational growth by making the recruitment and selection process more inclusive, fair, and efficient.

Then, employee development and training are critical elements in maintaining organizational competitiveness and maximizing employee potential. Organizations need to embrace innovation in the delivery of training and development in the face of challenges such as the speed of technological and market change. Using digital learning platforms allows employees to participate in training anytime, anywhere. In addition, using adaptive learning models allows training programs to be tailored to individual needs, maximizing the effectiveness and utilization of employee potential. The interdepartmental knowledge and skills-sharing program is also a valuable innovation that enhances team collaboration and creativity. This will enable employees to develop skills that are relevant to the market and help the company grow more effectively.

In addition, effective performance management is essential in motivating employees and achieving better results to support organizational growth. Innovations in performance management are replacing traditional formal, periodic approaches with continuous feedback. Advanced tools and technology allow employees to receive real-time feedback, helping them be more responsive and improve their performance. Goal-oriented and engagement approaches are also essential innovations, leading to employee motivation to achieve organizational goals and active participation in the performance evaluation. By making assessment methods inclusive and involving employees in the process, innovation in Performance Management can create a working environment focused on individual and team development, supporting sustainable organizational growth and progress. The role of innovation in people management strategies for sustainable organizational growth is critical to meeting the complex challenges of the modern era. By applying technology and innovation, organizations can improve the efficiency, effectiveness, and quality of their recruitment, development, and performance management processes. Innovation is the basis for creating a flexible and innovative work environment, leading the organization to sustainable and prosperous growth.

Because of its critical role in maintaining the balance between organizational growth and environmental preservation, environmental sustainability has become a critical issue in human resource management (HRM) strategy. Integrating environmental responsibility into HR policies is the foundation of an organization's sustainability efforts. Organizations need to integrate environmental
sustainability goals into existing HR policies and procedures. This includes including aspects of employee performance related to the environment as one of the criteria in performance appraisals. This will encourage employees to contribute to environmental sustainability efforts. Another important step is to implement incentive programs for employees who actively implement sustainable practices. These incentives can take the form of recognition, awards, or even financial rewards to express appreciation for their positive contribution to environmental sustainability efforts. Incorporating environmental responsibility into human resources policy makes employees more aware of the importance of sustainability.

Human resource management can play a role in reducing an organization's carbon footprint through several initiatives aimed at reducing environmental impacts. Reducing employee commuting and other environmental impacts through flexible work practices, such as telecommuting or more flexible work schedules. It helps reduce fuel consumption and carbon emissions. Encouraging the use of cloud-based technology is an effective way to reduce the energy consumption of an organization's IT infrastructure. By moving data and applications to the cloud, fewer physical servers and air conditioners are required to maintain, reducing the environmental burden. Organizations can also promote environmental awareness programs among employees to reduce paper and plastic waste by implementing paperless practices and environmentally friendly packaging. Employee environmental literacy is essential in ensuring that environmental sustainability becomes an integral part of the organization's culture. Through training on sustainable practices and environmental literacy, employees are made aware of the importance of environmental stewardship. The training also teaches employees concrete steps to support sustainability at work and in their personal lives.

Additionally, encouraging employees to participate in environmental volunteer programs increases their involvement in sustainable initiatives. Volunteer programs such as tree planting, environmental clean-ups, or plastic reduction campaigns can increase employee ownership of the organization's sustainability goals. It is essential to ensure that employees have access to information and resources to help them change their behavior more sustainably. Companies can provide online sustainability references or guides, environmental awareness campaigns, and various resources to help employees implement sustainable practices daily.

Environmental sustainability is becoming a critical aspect of HR management strategy. Integrating environmental responsibility into HR policies and reducing carbon footprints through HR management creates a strong foundation for organizational sustainability efforts. Building environmental literacy among employees is key to creating a culture of sustainability and encouraging the adoption of sustainable behaviors that have a positive impact on the environment as a whole. By taking these steps, organizations can achieve sustainable growth while remaining environmentally responsible. In human resource management (HRM), ethics and social responsibility play a critical role. HR decisions based on solid business ethics are an essential foundation for creating a work environment of integrity. Organizations need to develop a clear code of ethics that is consistently applied at all levels of the organization. This code should govern how employees conduct themselves in the performance of their duties and in dealing with complex situations. By doing so, organizations reaffirm their commitment to moral values and integrity in all operations. Transparency in human resources decision-making is essential in creating a culture of integrity. Open and honest decision-making helps build employee trust and ensures accountability for every action. To maintain integrity, organizations must be honest and thorough in involving employees in decision-making processes that affect them.

Implementing a safe and open employee complaint mechanism is essential in supporting business ethics. Employees should feel comfortable reporting ethical violations without
fear of retaliation or reprisal. These complaints should be taken seriously, and appropriate action should be taken to address the issue. With an effective complaint mechanism in place, organizations can proactively address ethical issues and ensure the continuation of a robust ethical culture. Corporate social responsibility should guide employee development. Organizations can integrate their social responsibility goals into employee development programs. Employees are empowered to become agents of change that positively impact society through training and coaching. Employee development should also emphasize social and ethical values so that employees can become responsible leaders in driving positive change. Providing opportunities for employees to participate in volunteer activities that impact the community is an integral part of corporate social responsibility. By participating in volunteer programs, employees can feel an inner satisfaction and better understand their role as socially responsible corporate citizens. Organizations should also ensure diversity and inclusion in career opportunities for all employees so that each individual has an equal opportunity to develop and contribute to achieving corporate social responsibility goals. Partnering with social organizations and local communities is a strategic step in creating sustainable social impact. Companies can partner with educational institutions or other social organizations to improve access to education and training for local communities. By working together, companies help communities develop their potential and achieve prosperity. Empowering employees to participate in community engagement programs is a tangible manifestation of corporate social responsibility. Employees can become ambassadors who help implement social initiatives and contribute to the development of the community at large. Through these programs, employees feel more connected to the organization and more aware of their role as agents of positive change.

Providing resources for social initiatives that focus on meeting the local community's needs is tangible evidence of the organization's commitment to social responsibility. Organizations should invest in projects that positively impact the community, such as providing access to clean water, economic empowerment programs, or infrastructure improvements.

Ethics and social responsibility play a critical role in human resource management. Implementing strong business ethics, developing sustainable employees through social responsibility, and establishing community partnerships for social empowerment are strategic steps in creating an organizational culture of integrity, inclusiveness, and positive societal impact. By integrating ethics and social responsibility into human resource management, organizations can achieve sustainable management while remaining socially and morally responsible. Organizational agility in the face of change is critical to achieving long-term growth and success. Managing change in a responsive and adaptive manner is a key step in ensuring that the organization can successfully manage change. First, organizations must build a culture that is open to change and innovation. This means creating an environment in which employees feel safe suggesting new ideas, experimenting, and trying innovative approaches to problem-solving. Adopting a change management approach focusing on communication and employee engagement is also crucial. In the face of change, it is essential to involve employees in the decision-making process and allow them to provide input. Understanding and support for change can be built through clear and open communication about the reasons for the change, the goals to be achieved, and the impact on employees. Creating contingency plans is also essential in dealing with external uncertainties and challenges. These contingency plans help the organization continue to operate and adapt to unexpected changes by guiding it in dealing with different scenarios. Collaboration across teams and departments is critical to accelerating innovation and growth. To share knowledge, experience, and resources, organizations must encourage collaboration across teams and departments. By working together, teams and departments can complement each other and create more holistic solutions to change challenges.
Adopting technology tools and platforms that facilitate remote collaboration is critical in an increasingly global and digitally connected work environment. Employees can work together regardless of geographic location and improve work efficiency and effectiveness with tools that enable real-time information sharing.

Providing the support and resources necessary to overcome barriers to collaboration is also an essential responsibility for organizations. Creating an environment conducive to productive collaboration requires identifying and addressing communication barriers, conflicts between teams, or differences in approach between departments. Adaptive leadership development is critical to managing change with a cool head and wise leadership. Organizations must provide leadership training and development that encourages leaders to be adaptive and flexible in the face of change challenges. Leaders need to develop leadership skills that enable them to make quick decisions, adapt to changing circumstances, and provide clear direction in times of uncertainty. Using values-based leadership is also an effective strategy for inspiring employees in the face of change. Leaders committed to achieving organizational goals by upholding ethical values, integrity, and social responsibility help create a work environment of integrity and commitment to shared success. Identifying and developing future leaders who have the potential to meet future challenges is a strategic step in maintaining organizational sustainability. Identifying talent and developing potential leaders through leadership and mentoring programs helps create a group of leaders ready to face change with adaptive and resilient leadership. Overall, organizational flexibility in the face of change is essential to achieving long-term success. By implementing responsive and adaptive change management, facilitating collaboration across teams and departments, and developing adaptive leadership, organizations can become more resilient in the face of inevitable change in a dynamic business environment. This flexibility helps organizations remain innovative, competitive, and relevant in an era of constant change.

Conclusion

Innovation, environmental sustainability, and ethical and social responsibility are essential to influential people management strategies for sustainable organizational growth. Organizational flexibility is also essential in the face of rapid and complex change. Organizations can optimize human resource potential and create innovative work environments by applying technology in recruitment and selection and using digital learning platforms for employee development. An essential step in achieving sustainable growth is integrating environmental responsibility into HR policies and reducing the carbon footprint through practices that reduce environmental impact. Strong business ethics are also the basis for HR decision-making. They create a work environment that is fair, transparent, and based on integrity. Adaptive leadership development is also needed to manage change wisely. Accelerating innovation and organizational growth requires good collaboration across teams and departments. All these strategies are essential foundations for sustainable organizational growth and competitiveness in a changing business era. Therefore, the key to success for sustainable organizational growth is to adopt a people management strategy that focuses on innovation, sustainability, ethics, and flexibility.

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